UPhongolo Municipality

IDP 2014/15-2016/17

TABLE OF CONTENTS **PAGE……**

SECTION A 6
1. EXECUTIVE SUMMARY 6
A 2.1.PROCESS PLAN 8
A 2.3 CONSULTATION PROCESS AND DATES 8
STRENTHGS……...10
WEAKNESSES……10
OPPORTUNITIES……...10
THREATS……...10
4.2 CORE VALUES……..11
A 5.2. SPATIAL VISION AND APPROACH 12
SECTION B 15
B1. PLANNING AND DEVELOPMENT PRINCIPLES……15
B 2. OTHER GOVERNMENT POLICIES AND IMPERATIVES USED BY THE MUNICIPALITY……..16
B 2.2. EXTERNAL FACTORS 16
MUNICIPALITY'S ALIGNMENT AND APPLICATION OF EXTERNAL LEGISLATIONS 30
B 2.3. INTERNAL FACTORS 31

SECTION C……33

SITUATIONAL ANALYSIS……33

1 SPATIAL ANALYSIS 33
C 1.1 REGIONAL CONTEXT 33
C 1.2. STRUCTURING ELEMENTS 33
C1.3. EXISTING NODES AND CORRIDORS 34
C 1.4. LAND COVER AND BROAD LAND USAGE 35
C 1.5 LAND OWNERSHIP 36
C 1.7. ENVIRONMENTAL ANALYSIS 38
C
2.DEMOGRAPHICS……40
C 2.1. KEY STATISTICS 40
C 2.2. POPULATION SIZE 40
C2.3. GENDER DISTRIBUTION BY WARD 43
C 2.4. POPULATION GROWTH RATE 44
C 2.5. AGE DISTRIBUTION 45
C 2.6 SETTLEMENT DISTRIBUTION 46
C2.7. EDUCATION LEVELS 47
DISTRIBUTION OF POPULATION AGED BETWEEN 5 – 24YEARS BY SCHOOL ATTENDANCE 1996, 2001 AND 2011 47
C 2.8. HIV/AIDS SCENARIOS 47
C3.9. AVERAGE HOUSEHOLD SIZE 48
C 3. INSTITUTIONAL ANALYSIS……50
C 3.1. ORGANISATIONAL STRUCTURE 50
C 3.2. GOVERNANCE ANALYSIS 53
3.3. SOCIAL AND COMMUNITY DEVELOPMENT ANALYSIS 54
C 3.5. ENVIRONMENTAL ANALYSIS 83
D.DEVELOPMENTSTRATEGIES 86
D 1.OVERVIEW……..86
D 2. KEY PERFORMANCE AREAS……..86

E. IMPLEMENTATION PLAN……99

E2. IMPLEMENTATION PLAN……101

E2.1. INSTITUTIONAL TRANSFORMATION & ORGANISATION DEVELOPMENT……101

E2.2. BASIC SERVICE DELIVERY……102
E2.3. LOCAL ECONOMIC DEVELOPMENT……103
E2.4 FINANCIAL VIABILITY AND MANAGEMENT……104
E2.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION……105
E2.6. CROSS CUTTING ISSUES……106
E 3 MUNICIPAL PROJECTS……107
E 4. SECTOR FUNDED PROJECTS……112
E 5. IDENTIFIED DEVELOPMENT NEEDS (COUNCILLORS WISH LIST)……114
E5.1.WARD 1……114
E 5.2. WARD 2……115
E.5.3. WARD 3……116
E 5.4. WARD 4……120
E5.6. WARD 5……126
E 5.7. WARD 6……130
E 5.8. WARD 7……133
E 5.9. WARD 8……137
E 5.10 .WARD 9……138
E 5.11. WARD 10……140
E 5.14. WARD 13……143
E 5.15. WARD 13……145

F. FINANCIAL PLAN……147

F1. MUNICIPAL BUDGET OVERVIEW……147
1.1 OPERATING REVENUE FRAMEWORK……149
1.1.1 PROPERTY RATES……153
1.1.2 SALE OF ELECTRICITY AND IMPACT OF TARIFF INCREASES……154
1.1.3 WASTE REMOVAL AND IMPACT OF TARIFF INCREASES……155
1.1.4 OVERALL IMPACT OF TARIFF INCREASES ON HOUSEHOLDS……157
1.2 OPERATING EXPENDITURE FRAMEWORK……158
1.2.1 PRIORITY GIVEN TO REPAIRS AND MAINTENANCE……160
1.2.2 FREE BASIC SERVICES: BASIC SOCIAL SERVICES PACKAGE……161
1.3 CAPITAL EXPENDITURE……162
1.3.1 FUTURE OPERATIONAL COST OF NEW INFRASTRUCTURE……163
1.4 ANNUAL BUDGET TABLES……164

2 PART 2 – SUPPORTING DOCUMENTATION……185

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS……185
2.1.1 BUDGET PROCESS OVERVIEW……185
2.1.2 IDP AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN……186
2.1.3 FINANCIAL MODELLING AND KEY PLANNING DRIVERS……187
2.1.4 COMMUNITY CONSULTATION……188
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP……188
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS……194
2.2.1 PERFORMANCE INDICATORS AND BENCHMARKS……196

2.2.2 Free Basic Services: basic social services package for indigent households 199
2.4 Overview of budget related-policies.....199
2.4.1. Review of credit control and debt collection procedures/policies 199
2.4.2. Asset Management, Infrastructure Investment and Funding Policy.....200
2.4.3. Budget Adjustment Policy.....200
2.4.4. Supply Chain Management Policy 200
2.4.5. Budget and Virement Policy 200
2.4.6. Cash Management and Investment Policy.....201
2.4.7. Tariff Policies.....201
2.5 Overview of budget assumptions.....201
2.5.1 External factors.....201
2.5.2 General inflation outlook and its impact on the municipal activities 201
2.5.3 Interest rates for borrowing and investment of funds 202
2.5.4 Collection rate for revenue services..... 202
2.5.5 Growth or decline in tax base of the municipality 202
2.5.6 Salary increases..... 203
2.5.7 Impact of national, provincial and local policies..... 203
2.5.8 Ability of the municipality to spend and deliver on the programmes..... 203
2.6 Overview of budget funding.....203
2.6.1 Medium-term outlook: operating revenue..... 203
2.6.2 Medium-term outlook: capital revenue..... 205
2.6.3 Cash Flow Management.....209
2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation 210
2.6.5 Funding compliance measurement 214
2.7 Expenditure on grants and reconciliations of unspent funds.....218
2.8 Councillor and employee benefits.....220
2.9 Monthly targets for revenue, expenditure and cash flow.....223
2.10 Contracts having future budgetary implications.....229
2.11 Capital expenditure details.....229
2.12 Other supporting documents.....239

F1.2 AUDIT ACTION PLAN (UPDATED TO 31 MAY 2014).....252

G G2 Draft SDBIP.....273

I. CONCLUSION.....274

ANNEXURES

1. ANNUAL OPERATIONAL PLAN (SDBIP)
2. SPATIAL DEVELOPMENT FRAMEWORK (SDF)
3. LOCAL ECONOMIC DEVELOPMENT STRATEGIC PLAN
4. INVESTMENT STRATEGY
5. ANNUAL PERFORMANCE REPORT FOR PREVIOUS YEAR

SECTION A

1. EXECUTIVE SUMMARY

1. Overview of uPhongolo Municipality

The uPhongolo Local Municipality is one of five local municipalities located within Zululand District Municipality (DC26) in KwaZulu Natal Province. It is strategically located along the N2, adjacent to the Swaziland Border and the Mpumalanga Province. It forms part of LEBOMBO SDI Corridor as a gateway to Swaziland and Mozambique using its Golela and Onverwacht border gates.

The municipality is governed by the Council consisting of 27 Councilors and an Executive Committee. This predominantly rural Municipality consists of 14 wards and has a geographical area of 3239 km^2. UPhongolo Municipality has a relatively diverse economy, with a particularly strong primary and secondary sector, in the form of Agriculture and retail and game farming, which together contribute over 30% of the municipality's GVA. General Government has a comparatively small economic role in the municipality as compared to the rest of the region, although it remains the biggest sectorial contributor (18%).

Surrounded by a unique natural scenic beauty, with endless water resources uPhongolo Municipality is the only place in South Africa where you can do tiger fishing in a competitive environment when we host the tiger fishing tournament. uPhongolo boasts of vast tracts of untapped natural resources coupled with original natural creations of magnificient landscape and green scenery which manifests itself as a paradise and a jewel that creates more opportunities with a huge potential to elevate tourism in our area to another level. Amongst other key offerings the area of uPhongolo has the following key attributes;

Gold mining at Klipwaal

Sugar cane farming

Untapped Rural tribal land

Two significant dams – Pongolapoort dam and Mbivane Dam

Sugarcane processing factory (TSB) which is due for expansion to include biofuel from the cane residue

Ithala lodge and many other tourist attractions like game farms including the big five experience

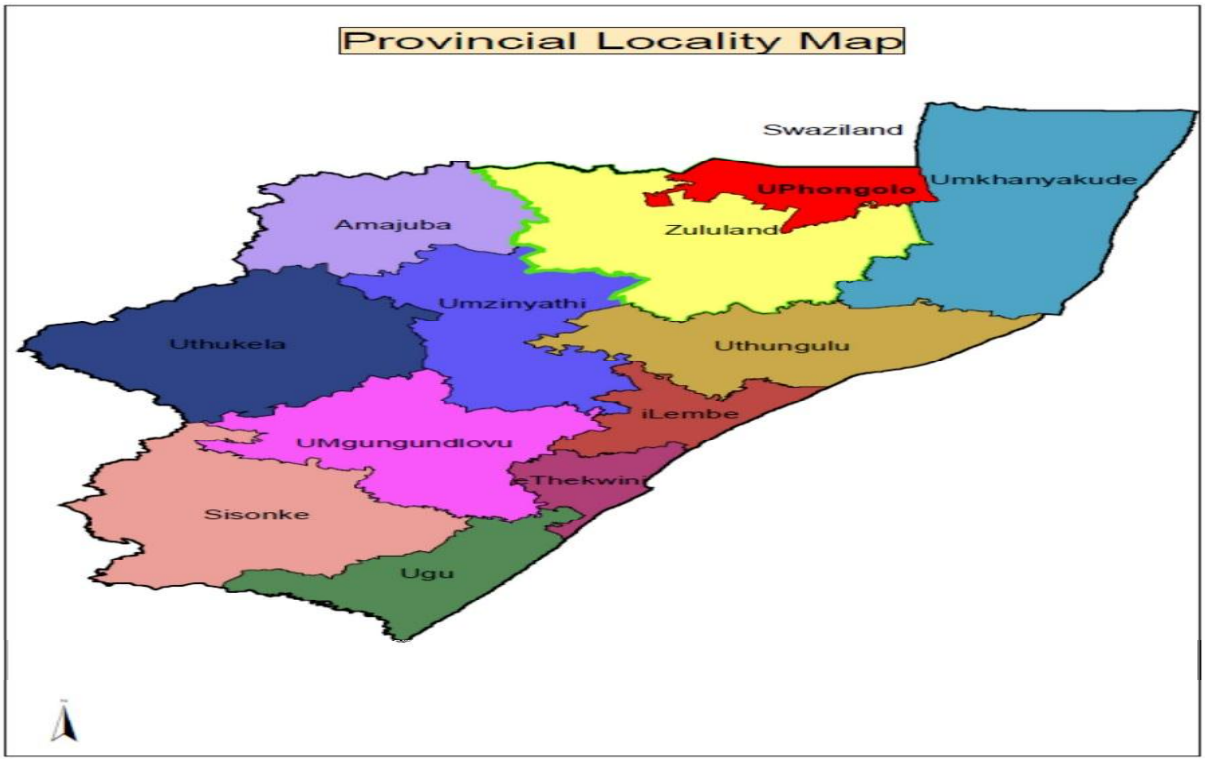
Gateway to Swaziland and Maputo through the Golela border post

Proximity to King Shaka airport and the Dube trade port

Unrestricted height freight route for abnormal trucking from Durban to Johannesburg on the N2 passes through uPhongolo

Rich Zulu Kingdom heritage

Figure 1.0 below locates the Municipality



2. HOW WAS THIS IDP DEVELOPED?

This IDP was prepared according to Chapter 5 and Section 25 (1) of the Municipal Systems Act (2000), which states that:

"Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which-

- Links integrates and coordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- Complies with the provisions of this Chapter; and
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation."

A 2.1.PROCESS PLAN

The Municipality's process plan in the development of this plan follows below;

SWOT Analysis:

This phase involved an analysis by all stakeholders (community members, Councillors' church leaders, traditional leaders, academics and professionals) to determine the strengths, weaknesses, opportunities and threats that the municipality faces.

Ward Projects:

Using the information from the above analysis, each Ward community identified tangible projects that they wanted to see in their community in the next five years. The projects based on the SWOT analysis, were then organised into a project wish list according to priorities.

Integration:

At this stage the Municipality applied vertical and horizontal linkages. The purpose being (a sustained and collaborated effort across all sectors) to achieve the Municipality's Vision.

The Process Plan was submitted to COGTA for evaluation; some changes were recommended and were duly done. The structures and time frames as indicated in the Process Plan are implemented for the compilation of this IDP document.

A 2.3 CONSULTATION PROCESS AND DATES

The following organizational arrangements are in place for the review of the IDP:

- IDP Steering Committee was resolved by the Council to act as a support to the uPhongolo Municipal Forums, the Municipal Manager and the IDP Manager.
- The IDP Manager is an official of the municipality assigned the responsibility of championing the IDP process.
- The uPhongolo Representative Forum is the participation forum that has to recommend the IDP for adoption to the Zululand District Municipality Council.
- IDP Planners Forum is a technical forum that supports the IDP Steering Committee and consists of planners and IDP experts from within the District. The coordination of alignment of interaction with sector Departments and Local Municipalities

- Neighbouring Municipalities

Some of the tools used for communicating the IDP include:

- Ward Committee meetings
- Workshop with Traditional Leaders
- IDP Representative Forum
- Advertisements in local and provincial newspapers as required • Local Service Providers/Stakeholders Alignment meetings

Consultations

The following Consultations took place as part of the preparation of this IDP:

Council Road shows and ward meetings took place between 15 January and 25 February 2012. The report back from these meetings is contained under the Section for Ward Projects in this document.

The following internal and external role players are part of the IDP Review process:

Internal Role players

- Council and Executive Committee
- Mayor
- Ward Committees
- Municipal Officials
- Municipal Manager
- IDP Manager
- IDP Steering Committee

External Role Players

- Sector Departments
- Community structures
- Zululand District Municipality
- Inter Municipal Forum (IMUF)

3. Key Challenges (uPhongolo SWOT analysis)

STRENTHGS • Conducive environment for investment • Numerous shopping complexes • 24 hour convenient shopping centres • Available farms for sale for new housing schemes • High demand for rental houses • 2 major dams • Most government departments still to establish their presence in the CBD • Centre to major cities • N2 provides unrestricted access to major cities and routes • Access to Zulu royal palaces • Tiger fishing, cane rally, rich heritage and cultural sites	**WEAKNESSES** • Limited funding • Lack of qualified staff • Lack of rare skills (unattractive conditions for qualified staff) • Rural based municipality • Lack of industry • Poor sanitation and water supply • Poverty • Lack of middle class professionals • High unemployment • Inadequate infrastructure
OPPORTUNITIES • Pongolapoort Dam • Tiger fish games in September • Tribal land for food security • Natural scenery and game • Game farming • Gold mining • Conducive weather for agriculture • N2 unrestricted link Johannesburg to Richards bay/Durban • Dube trade port • Sugarcane farming • Gateway to Swaziland and Mozambique	**THREATS** • Unskilled labour and unemployment of youth • Poor infrastructure • HIV and AIDS • Unavailability of land for development • Trucks in the CBD • Crime

4. Vision

"UPhongolo Local Municipality will ensure an inclusive socio-economy by providing quality services that yield a better life for all by 2030."

4.1 Mission

To develop our Municipal institution and facilitate its transformation

To provide infrastructure and other services to all, with emphasis on rural communities, in a sustainable manner

To provide a healthy and safe environment that is conducive for investment

To develop and support social and economic development initiatives, particularly those focused on the youth and the vulnerable

To ensure good governance through leadership excellence and community participation

To ensure continued sound financial management

To ensure effective and efficient Land Use Management, taking cognizance of sound environmental practices

To hoist tourism and agriculture as the leading GDP contributors to our economy

4.2 CORE VALUES

- Transparency
- Commitment
- Innovation
- Integrity
- Co-operation
- Respect
- Accountability

5. WHAT ARE WE DOING TO IMPROVE OURSELVES

uPhongolo Municipality has developed long term developmental goals and objectives that are aligned to the 6 KZN National Key Performance Areas. These will form the basis of alignment for the 5 year plan and performance scorecards to the lowest level where the Performance Management is applied within the Municipality. This alignment enables us to benchmark our work with the rest of the country, further highlighting areas that we will need to improve on as well as those that we will have excelled in. The Plan is also aligned to the National Development Plan 2030.

A 5.2. SPATIAL VISION AND APPROACH

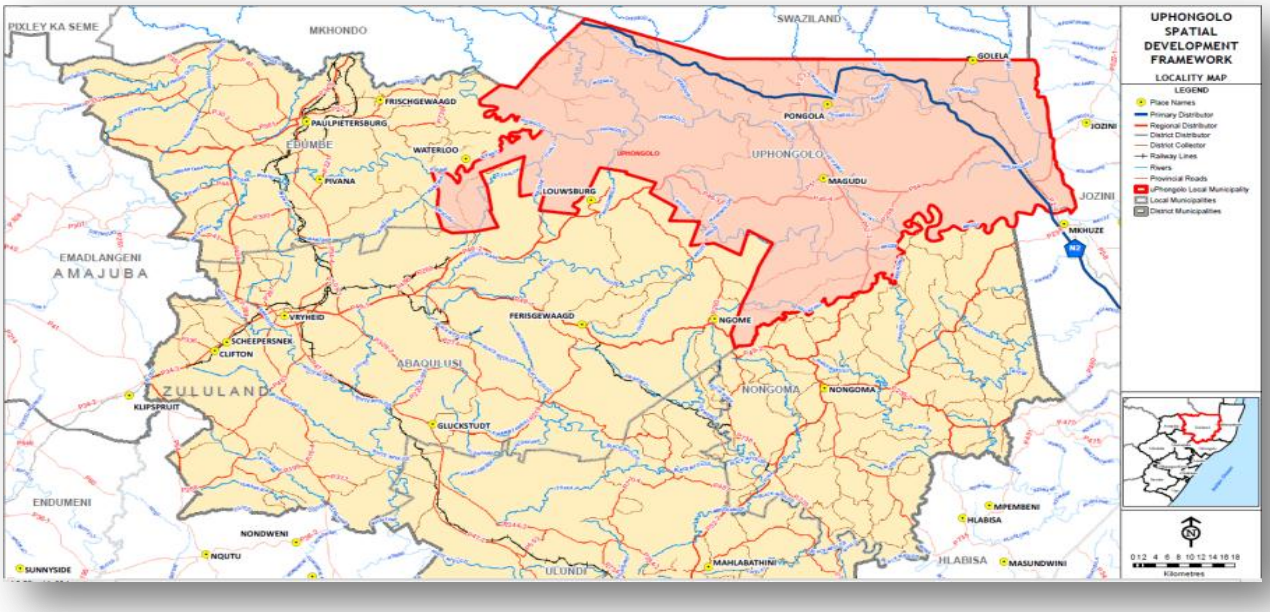
uPhongolo municipality participates in the Zululand district SDF and has completed the development of its SDF guided by the provincial spatial vision for optimal and responsible utilization of human and environmental resources, building on addressing needs and maximizing opportunities towards greater spatial equity and sustainability in development.

The land use management bill is also implemented where anchor or capital projects located in the Municipality undertake strategic environmental assessments and other measures. The list of all the capital budgeted projects are covered in the later sections of the IDP.

The following principles are taken into consideration:

- Principle of Environmental Planning
- Principle of Economic Potential
- Principle of Sustainable Communities
- Principle of Local Self-Sufficiency
- Principle of Spatial Concentration
- Principle of Sustainable Rural Livelihoods
- Principle of Balanced Development
- Principle of Accessibility
- Principle of Co-ordinated Implementation

These principles ultimately propose a move towards more developmental mandate definitions of the various departments away, from single mandates to enable the spatial alignment of growth and development investment.


UPHONGOLO
SPATIAL
DEVELOPMENT
FRAMEWORK
LOCALITY MAP
LEGEND
PIXLEY KA SEME
MKHONDO
SWAZILAND
GOLELA
PONGOLA
JOZINI
FRISCHGEWAAGD
PAULPIETERSBURG
EDUMBE
WATERLOO
PIVANA
LOUWSBURG
UPHONGOLO
MAGUDU
MKHUZE
EMADLANGENI
AMAJUBA
VRYHEID
SCHEEPERSNEK
CLIFTON
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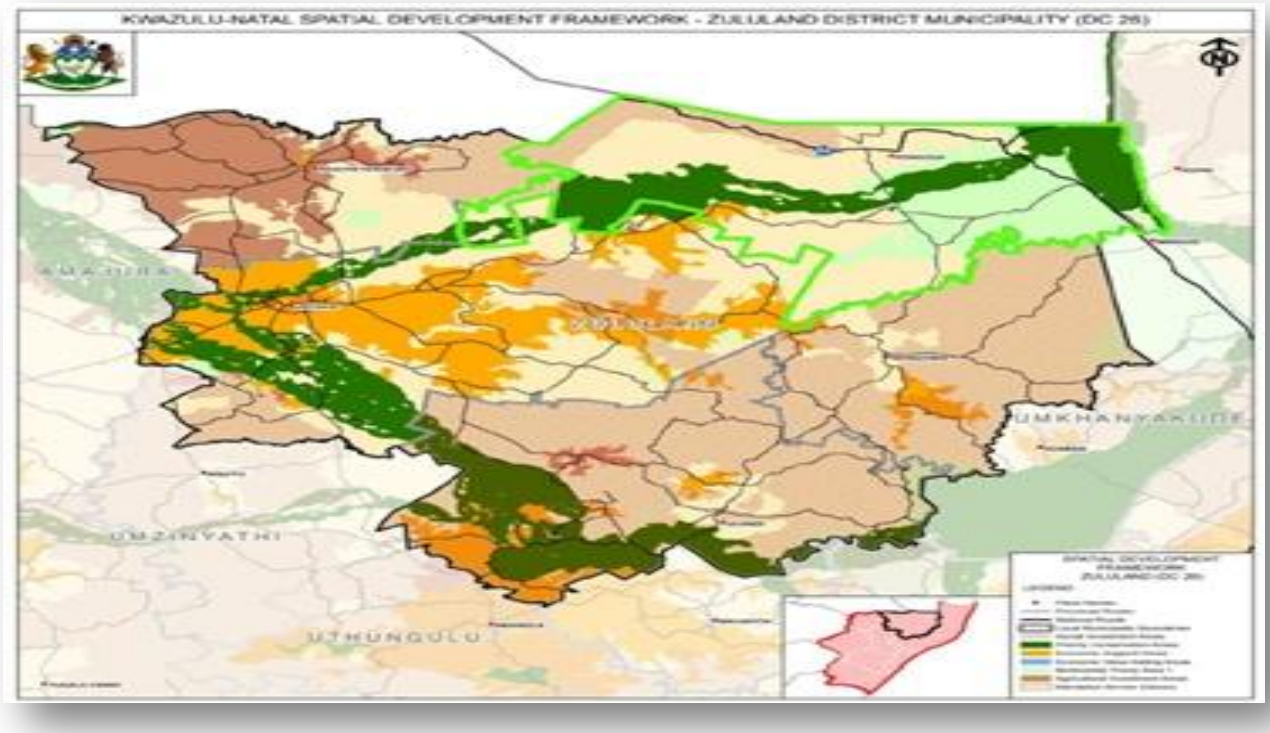

KWAZULU-NATAL SPATIAL DEVELOPMENT FRAMEWORK - ZULULAND DISTRICT MUNICIPALITY (DC 26)
UMZINYATHI
UTHUNGULU

6. CRITICAL TARGETS (WHAT COULD YOU EXPECT FROM US IN THE NEXT FIVE YEARS?)

- To have provided a good condition road network infrastructure
- To have settled most of the current rural electrification backlogs
- To have a proper functioning rural access road system that is well maintained
- To contribute toward reduction of unemployment amongst our youth
- To have solved the truck problems in the CBD
- To have improved Lighting in the CBD and Ncotshane and other nodes
- Controlled and Reduced debt levels of the Municipality
- A cleaner and greener uPhongolo
- Address human settlement challenges
- Wi-Fi and broadband at uPhongolo
- Traffic lights and traffic circles in the CBD to ease traffic congestion especially on crossing or joining N2
- To utilise natural advantage of the area around Pongolapoort dam
- To have investigated and consolidated a business plan on the Pongola hydroelectricity project
- Town expansion to accommodate different categories of communities

7. HOW WILL OUR PROGRESS BE MEASURED?

The Municipality has put in place a performance management system driven by the PMS and Risk Manager in the Municipal Manager's office to ensure that all issues noted on performance are followed up and acted upon. Further to this a precise SDBIP has been developed as annual action plans and targets are defined and each action is given a responsible head for accountability. Through the SDBIP targets all HODs are assessed quarterly to measure progress to date versus expectation. The results are assessed by a Performance Committee that also includes an external Municipal Manager.

SECTION B

B. PLANNING & DEVELOPMENT & GOVERNMENT PRIORITIES

B1. PLANNING AND DEVELOPMENT PRINCIPLES

The Municipality employs a number of principles in implementing its IDP. Below are some of the principles used by the municipality;

- Development/investment must only happen in locations that are sustainable (NSDP).
- Balance between urban and rural land development in support of each other (DFA Principles).
- Discouragement of urban sprawl by encouraging settlement at existing and proposed nodes and settlement corridors, whilst also promoting densification. Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres (DFA Principles)
- Direction of new development towards logical infill areas (DFA Principles)
- Compact urban form is desirable (DFA Principles)
- Development should be within limited resources (financial, institutional and physical). Development must optimize the use of existing resources and infrastructure in a sustainable manner (DFA Principles, CRDP, and National Strategy on Sustainable Development)
- Stimulate and reinforce cross boundary linkages.
- Basic services (water, sanitation, access and energy) must be provided to all households (NSDP)
- Development / investment should be focused on localities of economic growth and/or economic potential (NSDP)
- localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes (NSDP)
- Land development procedures must include provisions that accommodate access to secure tenure (CRDP)
- Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilised
- Engagement with stakeholder representatives on policy, planning and implementation at national, sectorial and local levels is central to achieving coherent and effective planning and development.
- If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity ("Breaking New Ground": from Housing to Sustainable Human Settlements)
- During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted (National Strategy on Sustainable Development)

B 2. OTHER GOVERNMENT POLICIES AND IMPERATIVES USED BY THE MUNICIPALITY

Various external and internal factors have an impact on the status quo of the uPhongolo Municipality.

These amongst others include but are not limited to the following key areas:

- Legislative Mandate of the Municipality;
- Millennium Development Goals;
- 12 National Outcomes;
- National Plan Priorities e.g. 5 National priorities, NDP;
- Provincial Plan Priorities e.g. PGDS ;

In order to ensure that the Municipality delivers on its mandate and to achieve its goals the following analyses profiles the status quo with special focus on the above mentioned influencing factors.

B 2.2. EXTERNAL FACTORS

LEGISLATIVE MENDATE

This section of the report highlights the (1) national and provincial legislation and (2) guidelines that are important for the spatial development component of IDPs.

The key legislation in terms of the preparation of IDPs is the Municipal Systems Act (Act 32 of 2000)

(MSA). Section 26 of the MSA compels all municipalities to prepare an Integrated Development Plan (IDP) as the primary and overriding management tool.

Another very important piece of legislation pertaining to development, per se, is the Development Facilitation Act (DFA), No. 67 of 1995. The DFA contains general principles for land development and decision making. Some of these principles, as contained in section 3 of the Act, are:

1. Provision should be made for urban and rural land development – including the development of formal and informal, existing and new settlements.
2. Illegal occupation of land should be discouraged.
3. Land development should take place effectively and in an integrated manner by:

a. Integrating social, economic, institutional, environmental and spatial aspects of land development.
b. Developing urban and rural areas in support of each other.
c. Providing areas of residence and job opportunities close together or integrated with each other.
d. Optimize the use of existing resources.
e. Permitting and encouraging diverse land uses.
f. Rectifying the distorted spatial patterns of the past.
g. Compaction of towns to discourage urban sprawl.
h. Ensuring a sustainable natural environment.
i. Promote conditions under which economic activities can flourish.

j. Create opportunities for small business at places of high accessibility and economic agglomeration.
k. Provide the basics for survival to all existing settlement and focus on places with economic potential to provide a higher level and wider range of services or facilities.

4. Development within an area should take place within the limited resources, financial, institutional and physical of the area in order to create a viable community and to protect the natural environmental to enable economic growth.

B 2.2.1THE MILLENNIUM DEVELOPMENT GOALS

The MDG's puts in place a framework for a comprehensive and inclusive approach to attain eight key goals by the year 2015. It is a widely held view that if the commitments of the member countries are translated into action, humankind would take a big step forward in promoting collective responsibility for realising the principles of human dignity, equality and equity at a global level.

It is about putting in place a programme of action with practical steps needed to effect fundamental change in order to the achieve the 8 key Millennium Development Goals namely;

- Goal 1: Eradication of extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote gender equality and empower women
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 6: Combat HIV/AIDS malaria and other diseases
- Goal 7: Ensure environmental sustainability
- Goal 8: Develop a Global Partnership for Development

THE EIGHT MILLENNIUM DEVELOPMENT GOALS HAVE 21 QUANTIFIABLE TARGETS AND 60 INDICATORS.

GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER		
Goal 1	**Target 1**: Halve the proportion of people with income less than $1 between 1990 – 2015	• Proportion of population below $1 per day • Poverty headcount ratio (percentage of population below national poverty line • Poverty gap ratio (incidence, depth of poverty) • Share of poorest quintile in national consumption
	Target 2: Achieve Decent Employment for Women, Men, and Young People	• Employment Rate • Proportion of employed population below $1 per day • Proportion of family-based workers in employed population • in national consumption
	Target 3: Halve, between 1990 – 2015 the proportion of people who suffer from hunger	• Prevalence of underweight children under five years of age • Proportion of population below minimum level of dietary energy consumption

GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION		
Goal 2	**Target 4:** By 2015, all children can complete a full course of primary schooling, girls and boys	• Enrolment in primary education • Completion of primary education • Literacy of 15-24 year olds, female and male

GOAL 3: PROMOTE EQUALITY AND EMPOWER WOMEN		
Goal 3	**Target 5:** Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015	• Ratios of girls to boys in primary, secondary and tertiary education • Share of women in wage employment in the non-agricultural sector • Proportion of seats held by women in national parliament

GOAL 4: REDUCE CHILD MORTALITY		
Goal 4	**Target 6:** Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	• Under-five mortality rate • Infant (under 1) mortality rate • Proportion of 1-year-old children immunized against measles

GOAL 5: IMPROVE MATERNAL HEALTH		
Goal 5	**Target 7:** Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	• Maternal mortality ratio • Proportion of births attended by skilled health personnel
	Target 8: Achieve, by 2015, universal access to reproductive health	• Contraceptive prevalence rate • Adolescent birth rate • Antenatal care coverage • Unmet need for family planning
GOAL 6: ERADICATE HIV AND AIDS, MALARIA AND OTHER DISEASES		
Goal 6	**Target 9:** Have halted by 2015 and begun to reverse the spread of HIV/AIDS	• HIV prevalence among population aged 15–24 years • Condom use at last high-risk sex • Proportion of population aged 15–24 years with comprehensive correct knowledge of HIV/AIDS
	Target 10: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	• Proportion of population with advanced HIV infection with access to antiretroviral drugs
	Target 11: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	• Prevalence and death rates associated with malaria • Proportion of children under 5 sleeping under insecticide-treated bed-nets • Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs • Prevalence and death rates associated with tuberculosis • Proportion of tuberculosis cases detected and cured under DOTS (Directly Observed Treatment Short Course)

GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY		
Goal 7	**Target 12:** Integrate the principles of sustainable development into country policies and programs; reverse loss of environmental resources	
	Target 13: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	• Proportion of land area covered by forest • CO_2 emissions, total, per capita and per $1 GDP (PPP) • Consumption of ozone-depleting substances • Proportion of fish stocks within safe biological limits • Proportion of total water resources used • Proportion of terrestrial and marine areas protected • Proportion of species threatened with extinction
	Target 14: Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation (for more information see the entry on water supply)	• Proportion of population with sustainable access to an improved water source, urban and rural • Proportion of urban population with access to improved sanitation
	Target 15: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum-dwellers	• Proportion of urban population living in slums

GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT		
	Target 17: Address the Special Needs of the Least Developed Countries (LDC)	• Includes: tariff and quota free access for LDC exports; enhanced programme of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA (Overseas Development Assistance) for countries committed to poverty reduction
	Target 18: Address the special needs of landlocked developing countries and small island developing States	• Through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly
	Target 19: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	• Official development assistance (ODA) • Market access: • Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries • Agricultural support • Proportion of ODA provided to help build trade capacity • Debt sustainability • Debt relief • Debt service as a percentage of exports of goods and services
	Target 20:	• Proportion of population with access to affordable

GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT		
	In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries	essential drugs on a sustainable basis

B 2.2.2.THE 12 NATIONAL OUTCOMES AND THE ROLE OF PHONGOLO

In January 2010, Cabinet adopted 12 outcomes within which to frame public-service delivery priorities and targets. Cabinet ministers have signed performance agreements linked to these outcomes. More detailed delivery agreements have since been developed to extend targets and responsibilities to national and provincial departments, agencies and municipalities. uPhongolo Municipality is attempting to comply with the 12 outcomes by taking them into consideration in the budget and IDP process.

1. Improve the quality of basic education

Outputs	Role of uPhongolo Municipality
▪ Improve quality of teaching and learning ▪ Regular assessment to track progress ▪ Improve early childhood development ▪ A credible outcomes-focused accountability system	▪ Facilitate the building of new schools by: ▪ Participating in needs assessments ▪ Identifying appropriate land ▪ Facilitating zoning and planning processes ▪ Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections

2. Improve health and life expectancy

Outputs	Role of uPhongolo Municipality
▪ Increase life expectancy to 58 for males and 60 for females ▪ Reduce maternal and child mortality rates to 30-40 per 1000 births ▪ Combat HIV/Aids and TB ▪ Strengthen health services effectiveness	▪ Strengthen effectiveness of health services by specifically enhancing ▪ TB treatments and expanding HIV and AIDS prevention and treatments ▪ Continue to improve Community ▪ Health Service infrastructure by providing clean water, sanitation and ▪ waste removal services

3. All people in South Africa protected and feel safe

Outputs	Role of uPhongolo Municipality
▪ Reduce overall level of crime ▪ An effective and integrated criminal justice system ▪ Improve perceptions of crime among the population ▪ Improve investor perceptions and trust ▪ Effective and integrated border management ▪ Integrity of identity of citizens and residents secured ▪ Cyber-crime combated	▪ Facilitate the development of safer communities through better planning and enforcement of municipal by-laws ▪ Direct the traffic control function towards policing high risk violations – rather than revenue collection ▪ Improving collaboration with SAPS ▪ Ensuring rapid response to reported crimes

4. Decent employment through inclusive economic growth

Outputs	Role of uPhongolo Municipality
▪ Faster and sustainable inclusive growth ▪ More labour-absorbing growth ▪ Strategy to reduce youth unemployment ▪ Increase competitiveness to raise net exports and grow trade ▪ Improve support to small business and cooperatives ▪ Implement expanded public works programme	▪ Create an enabling environment for investment by streamlining planning application processes ▪ Ensure proper maintenance and rehabilitation of essential services infrastructure ▪ Ensure proper implementation of the EPWP at municipal level ▪ Design service delivery processes to be labour intensive ▪ Improve procurement systems to eliminate corruption and ensure value for money ▪ Utilise community structures to provide services

▪ ***5. A skilled and capable workforce to support inclusive growth*** A credible planning institutional€ mechanism ▪ Increase access to intermediate and high level learning programmes ▪ Increase access to occupation specific programmes (especially artisan skills	▪ Develop and extend intern and work experience programmes in municipality ▪ Link municipal procurement to skills development initiatives

Outputs	Role of uPhongolo Municipality
▪ Improve competition and regulation ▪ Reliable generation, distribution and transmission of energy ▪ Maintain and expand road and rail network, and efficiency, capacity and competitiveness of sea ports Maintain bulk water infrastructure and ensure water supply ▪ Information and communication Technology ▪ Benchmarks for each sector	▪ Ring-fence water, electricity and sanitation ▪ functions so as to facilitate cost-reflecting pricing of these services ▪ Ensure urban spatial plans provide for modes of public transport ▪ Maintain and expand water purification works and waste water ▪ treatment works in line with growing demand ▪ Prepare to receive the devolved public transport function ▪ Improve maintenance of municipal road networks
training) ▪ Research, development and innovation in human capital	

6. An efficient, competitive and responsive economic infrastructure network

7. Vibrant, equitable and sustainable rural communities and food security

Outputs	Role of uPhongolo Municipality
▪ Sustainable agrarian reform and improved access to markets for small farmers ▪ Improve access to affordable and diverse food ▪ Improve rural services and access to information to support livelihoods ▪ Improve rural employment opportunities ▪ Enable institutional environment for sustainable and inclusive growth	▪ Facilitate the development of local markets for agricultural produce ▪ Improve transport links with urban centers so as to ensure better economic integration ▪ Promote home production to enhance food security ▪ Ensure effective spending of grants for funding extension of access to basic services

8. Sustainable human settlements and improved quality of household life

Outputs	Role of uPhongolo Municipality
▪ Accelerate housing delivery ▪ Accelerate housing delivery ▪ Improve property market ▪ More efficient land utilisation and release of state-owned land	▪ Prepare to be accredited for the housing function ▪ Ensure that the Housing Plan are in line with national policy on integrated human settlements ▪ Participate in the identification of suitable land for social housing ▪ Ensure capital budgets are appropriately prioritised to maintain existing services and extend services

9. A response and, accountable, effective and efficient local government system

Outputs	Role of uPhongolo Municipality
▪ Differentiate approach to municipal financing, planning and support ▪ Community work programme Support for human settlements Refine ward committee model to deepen democracy ▪ Improve municipal financial administrative capability ▪ Single coordination window	▪ Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality ▪ Implement the community work programme ▪ Ensure ward committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues ▪ Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption

10. Protection and enhancement of environmental assets and natural resources

Outputs	Role of uPhongolo Municipality
▪ Enhance quality and quantity of water resources ▪ Reduce greenhouse gas emissions; ▪ mitigate climate change impacts; improve air quality ▪ Sustainable environment Management ▪ Protect biodiversity	▪ Ensure effective maintenance and rehabilitation of infrastructure ▪ Run water and electricity saving awareness campaigns ▪ Ensure proper management of municipal commonage and urban open spaces ▪ Ensure development does not take Place on wetlands or any other environmental sensitive areas.

11. A better South Africa, a better and safer Africa and world

Outputs	Role of Local Government
▪ Enhance the African agenda and sustainable development ▪ Enhance regional integration Reform global governance institutions ▪ Enhance trade and investment between South Africa and partners	▪ Role of local government is fairly limited in this area ▪ Must concentrate on Ensuring basic infrastructure is in place and properly maintained ▪ Creating an enabling environment for investment

12. A development-orientated public service and inclusive citizenship

Outputs	Role of uPhongolo Municipality
▪ Improve government performance ▪ Government-wide performance monitoring and evaluation ▪ Conduct comprehensive expenditure review ▪ Information campaign on constitutional rights and responsibilities ▪ Celebrate cultural diversity	▪ Continue to develop performance monitoring and management systems ▪ Comply with legal financial reporting requirements ▪ Review municipal expenditures to eliminate wastage ▪ Ensure councils behave in ways to restore community trust in local government

B 2.2.3. THE 5 NATIONAL PRIORITIES

Government's priorities affect all South Africans, the majority of whom are women and girls. Particularly black women and girls suffer multiple forms of discrimination and are among the most socioeconomically disadvantaged groups in South Africa. This review gauges how government's priorities set for 2012 in President Jacob Zuma's State of the Nation Address (SONA 2012) will affect the social, political and economic status of women, and measures the advances made with regards to the five priorities the president set in the 2009 SONA, namely:

- Decent Work
- Education
- Crime
- Health
- Rural development & Agrarian reform

uPhongolo Municipality through its social and economic development initiatives have played a catalytic role and continue to do so in assuring that all Capital Projects are more labour intensive in order to create an opportunity for the Local communities to acquire necessary skills and employment opportunities as well as ensuring self-sustainability and efficiency. Furthermore direct programmes and awareness campaigns in agriculture, land restitution, HIV/AIDS, Youth, Tourism, Co-operatives and SMMEs are the effective tools to create jobs opportunities and combat crime actions and transmittable deceases.

B 2.2.4. NATIONAL DEVELOPMENT PLAN 2030

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

The National Planning Commission's Diagnostic Report, released in June 2011, set out South Africa's achievements and shortcomings since 1994. It identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress, and set out nine primary challenges:

- Too few people work
- The quality of school education for black people is poor
- Infrastructure is poorly located, inadequate and under-maintained
- Spatial divides hobble inclusive development
- The economy is unsustainably resource intensive
- The public health system cannot meet demand or sustain quality
- Public services are uneven and often of poor quality
- Corruption levels are high
- South Africa remains a divided society.

The plan focuses on the critical capabilities needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its

present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities.

B 2.2.5.THE NEW GROWTH PATH: THE FRAMEWORK

There is growing consensus that creating decent work, reducing inequality and defeating poverty can only happen through a new growth path founded on a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth.

The Government is committed to forging such a consensus and leading the way by:

1. Identifying areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally.
2. Developing a policy package to facilitate employment creation in these areas, above all through:
   a. A comprehensive drive to enhance both social equity and competitiveness;
   b. Systemic changes to mobilise domestic investment around activities that can create sustainable employment; and
   c. Strong social dialogue to focus all stakeholders on encouraging growth in employment creating activities.

In essence, the aim is to target our limited capital and capacity at activities that maximise the creation of decent work opportunities. To that end, we must use both macro and micro economic policies to create a favourable overall environment and to support more labour-absorbing activities. The main indicators of success will be jobs (the number and quality of jobs created), growth (the rate, labour intensity and composition of economic growth), equity (lower income inequality and poverty) and environmental outcomes.

The state must coordinate its efforts around core priorities rather than dispersing them across numerous efforts, however worthwhile, that do not contribute to a sustained expansion in economic opportunities for our people. These are the core characteristics of a developmental state.

The requisite policy stability and coherence will be supported by effective social dialogue that helps establish a broad consensus on long-run policy goals and a vision for the country, and facilitates the necessary tradeoffs and sacrifices by ensuring a visibly fair distribution of the benefits from growth. Engagement with stakeholder representatives on policy, planning and implementation at national, sectorial and local levels is central to achieving coherent and effective strategies that are realized without endless debates and delays. That, in turn, means government must both strengthen its own capacity for engagement and leadership, and re-design delivery systems to include stakeholders meaningfully.

The growth path therefore proposes strategies:

- To deepen the domestic and regional market by growing employment, increasing incomes and undertaking other measures to improve equity and income distribution, and
- To widen the market for South African goods and services through a stronger focus on exports to the region and other rapidly growing economies.

The measures in the New Growth Path, taken together, constitute a key means to address the income inequalities in our society. They place decent work (more and better jobs) at the center of the fight against inequality but also include measures such as skills enhancement, small enterprise development, wage and productivity gain-sharing policies, addressing the excessive pay gap between top and bottom, progressive taxation and support for the social wage, meaning public services targeted primarily at low-income households.

The connection between economic and social measures needs to be further strengthened. In addition to their important social goals, basic and secondary education plays a critical role in long-run equality, access to employment and competitiveness. So does investment in health, including effective measures to address HIV/AIDS. Government has prioritised health and education investment and delivery. While the detailed measures are not spelt out in the New Growth Path, these services are critical success factors for this employment-rich strategy.

Jobs Drivers

If we can grow employment by five million jobs by 2020 (around three million more than the anticipated growth if we extrapolated from 2002 to 2009), over half of all working-age South Africans would have paid employment and narrow unemployment would drop by 10 percentage points from 25% currently to around 15%.

The jobs drivers we have identified are:

Substantial public investment in infrastructure both to create employment directly in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy.

1. Targeting more labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services.
2. Taking advantage of new opportunities in the knowledge and green economies.
3. Leveraging social capital in the social economy and the public services.
4. Fostering rural development and regional integration.

In each of these areas, we will have to make a special effort to generate opportunities for young people, who face the highest unemployment rate.

As a first step, we will prioritise efforts to support employment creation in the following key sectors:

- infrastructure
- the agricultural value chain
- the mining value chain
- the green economy
- manufacturing sectors, which are included in IPAP2, and
- Tourism and certain high-level services.

The New Growth Path describes 10 required Policies for growth, decent work and equity, namely:

1. Active industrial policy
2. Rural development policy
3. Competition policy
4. Stepping up education and skills development
5. Enterprise development: promoting small business and entrepreneurship; eliminating unnecessary red-tape
6. Broad-based Black Economic Empowerment (BBBEE)
7. Labour policies
8. Technology policy
9. Developmental trade policies
10. Policies for African development

B 2.2.6 PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

Cabinet adopted PGDS Review Framework at the February 2011 Cabinet Lekgotla. The Draft 2030 Vision and PGDS were adopted by Cabinet on 31 August 2011.

The purpose of the PGDS is to focus on a clear vision for the Province; promote vertical, horizontal and spatial alignment; mobilise all development partners to achieve predetermined development objectives and targets; and build on the strengths and opportunities of the Province, while addressing weaknesses and threats.

The Strategic Goals for the province as indicated in the document:

- Job Creation
- Human Resource development
- Human and Community Development
- Strategic Infrastructure
- Response to Climate change
- Governance and policy

- Spatial Equity

The implementation of Vision and Strategic Goals aspire to lead to:

- Position the Province as a Gateway to South Africa and Africa
- Human & Natural Resources
- Safe, Healthy & Sustainable Living Environments
- Healthy Educated Communities
- Employable people are employed
- Basic Services
- More equitable Society
- World Class Infrastructure
- Investors' Confidence
- Skilled Labour Force
- Focus on People centeredness.
- Strong & Decisive Leadership
- Foster Social Compacts

B 2.2.7 SUKUMA SAKHE

Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to install behavioural change amongst the citizens of the province.

uPhongolo Municipality is implementing Operation Sukuma Sakhe in all its 14 wards to ensure that all challenges are monitored and that an enabling environment for poverty reduction is in place. This is ensured through continuous interaction between the Municipality and the community to come together to achieve the 12 National Outcomes. It encourages social mobilization where communities have a role, as well as delivery of government services in a more integrated way.

The Municipality and other Government departments therefore continue to create a better life for all through development and implementation of the Sukuma Sakhe holistic program that deals with individual, household and community needs.

Challenges addressed thus far are extreme poverty, food insecurity, HIV, etc. these social ills pose a serious threat to our society future.

MUNICIPALITY'S ALIGNMENT AND APPLICATION OF EXTERNAL LEGISLATIONS

uPhongolo Local Municipality embraces and aligns its sector plans and policies with the above mentioned external policies and by devising logical strategies complemented with programmes and projects which are aimed at meeting the target by the national and provincial departments leading to efficient and cost effective solutions for service delivery and economic emancipation of our poverty stricken communities.

B 2.3. INTERNAL FACTORS

B 2.3.1 Municipal Policies

The Municipality has the following policies in place, which are being implemented:

Policies
Delegated Powers
HIV/Aids Policy
Council's Amenities and Facilities Policy
Cell Phone Policy
Transport, Subsistence and Travelling Policy
Housing Framework for the Municipality
Housing Policy for Officials
Overtime Policy
Appointment of Casual/Temporary Personnel Policy
Placement of Staff Policy
Remuneration and Promotion Policy
Cemetery and Pauper Burial Policy
Procurement Policy
Tariff Policy
Investment and Cash Management Policy
Debt Management Policy
Credit Control and Debt Collection Policy
Asset Management Policy
Indigent Relief Policy
ICT Policy
Supply Chain Management Policy Subsistence Abuse Policy
Smoking Policy
Code of Conduct for Councilor and Municipal Staff
Ward Committee Policy
Internet and E-Mail Usage Policy
Procedures for Cashiers and Licensing Clerks
Public Participation Policy
Induction Policy
Employees Performance Appraisal Policy Employment Equity Policy
Absenteeism Polity
Picketing Policy
Promotion and Transfers Policy
Safety Policy
Human Resource and Development Policy
Dress Code Policy
Mayoral Discretionary Fund Policy
Human resources and Training Policy
Sexual Harassment Policy
Long Service Award Policy

Policies
Vehicle Subsidy Policy
Risk Management Policy
People Participation Policy
Land Disposal Policy Framework
EPWP Policy

These policies are revised as and when necessary, but at least every two years.

In addition, the Municipality annually prepares an Annual Report (as required by the MFMA).

B 2.3.2.Municipal Sector Plans

- Water Services Development Plan (Zululand District Municipality);
- HIV/AIDS Sector Plan (Zululand District Municipality);
- Transportation Plan (Zululand District Municipality);
- Disaster Management Plan;
- Housing Sector Plan;
- Electricity/Energy Sector Plan (Zululand District Municipality)
- Spatial Development Framework.
- Local Development Plan for Pongolapoort Dam Area

NO	SECTOR PLAN	STATUS
1	Performance Management Plan	Completed
2	Housing Sector Plan	Completed
3	Land Use Management Plan	Complete
4	HIV/AIDS Sector Plan	To be reviewed
5	LED Plan	Completed
6	Disaster Management Plan	To be reviewed
7	Integrated Environmental Management Plan	To be reviewed
8	Investment Attraction Strategic Plan	Completed
9	Solid Waste Master Plan	To be prepared
10	Electricity Master Plan	To be prepared
11	Roads & Stormwater Master Plan	Completed
12	GIS Strategic plan	To be prepared
13	Small Town Rehabilitation Plan	Completed
14	Cemetery plan	To be prepared
15	Communication plan	To be prepared
16	Tourism strategic plan	To be reviewed
17	Spatial Development Framework	Completed

SECTION C.

SITUATIONAL ANALYSIS

1 SPATIAL ANALYSIS

C 1.1 REGIONAL CONTEXT

Within a wider regional context, the municipality plays a two-fold role, i.e. on the one hand accommodating a great number of nature and game reserves and associated tourism amenities, as well as accommodating not insignificant agricultural production, while on the other hand accommodating external linkages between Gauteng and the coast, Swaziland and Zululand.

While the future development of the area needs to be appropriately addressed this two-fold role, it also needs to further develop its traditional settlement areas, better integrating them into the economic opportunities of the region.

Within this wider context, it is suggested that the municipality contains a series of development opportunities which have not, or have not fully, been realized. This includes inter alia tourism opportunities emanating from the Pongolapoort Dam, development opportunities inherent in the Pongola as the main town of the region, tourism opportunities inherent in the attractive landscape and African traditions of the traditional settlement areas, more efficient agricultural development opportunities in the traditional settlement areas, opportunities for the development of secondary nodes serving both the local communities as well as passing tourism flows etc.

C 1.2. STRUCTURING ELEMENTS

Guided by the ***National Spatial Development Perspective (NSDP), DRAFT SPATIAL PLANNING AND LUMS BILL, 2011, National Environmental Management Act (Act 107 of 1998) the Provincial Spatial & Economic Development Strategy (PSEDS)*** was developed to provide spatial context to the PGDS which addresses spatial imbalances, curb urban sprawl and ensure sustainable interventions; it helps uPhongolo Municipality to identify priority areas and types of development aligning to Municipal SDF and guide budgeting processes influence investment decisions of the private sector;

The PSEDS attempts to indicate where different types of investment should be directed in order to achieve development and/or economic growth.

Four key sectors have been identified as drivers of economic growth in the province, namely:

- The Agricultural sector (including agro-processing and land reform)
- The Industrial sector (Including Manufacturing)
- The Tourism sector
- The Service sector (including government services)
- The logistics and transport sector (including rail) underpin growth in all four sectors. Sustainable and affordable water and energy provision is crucial to economic growth & development.

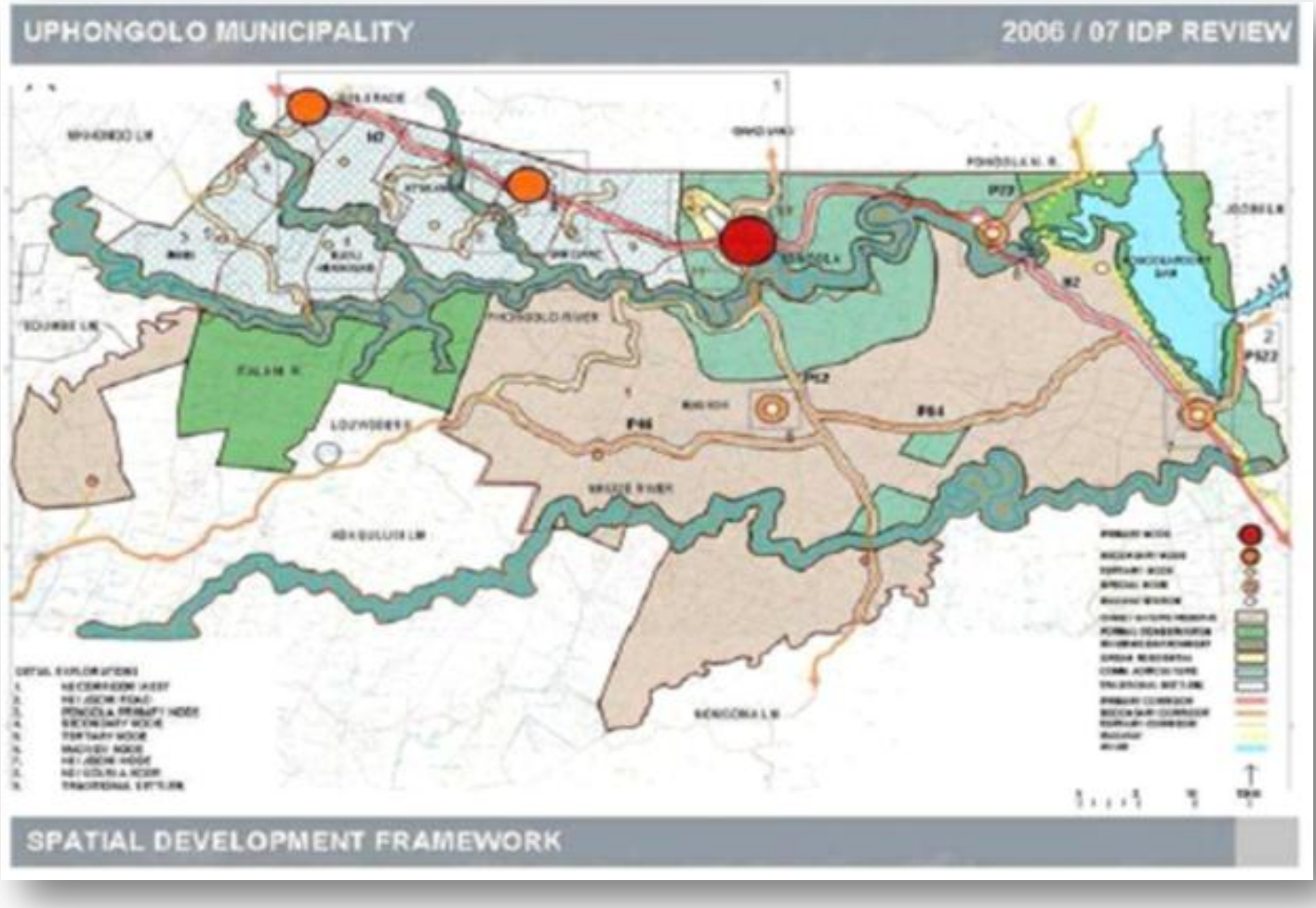
C1.3. EXISTING NODES AND CORRIDORS

The SDF provides indication of three levels of access hierarchy, i.e.:

PRIMARY CORRIDOR, consisting of the N2, providing the highest level of internal and external linkage and visibility, potential location of major development components serving the entire municipality including the primary center, location of urban development, where appropriate development should initially be clustered around interceptor points,

SECONDARY CORRIDOR, consisting of the P522 from the N2 to Jozini and beyond, the P46 from the N2 in the east to Magudu and Louwsburg in the west, the P52 from Pongola to Ulundi and the road from Pongola to Swaziland, providing major internal and external linkage, potential location for secondary and tertiary nodes, substantial development components requiring good access,

TERTIARY CORRIDOR , consisting largely of local access roads providing location for tertiary and local development.



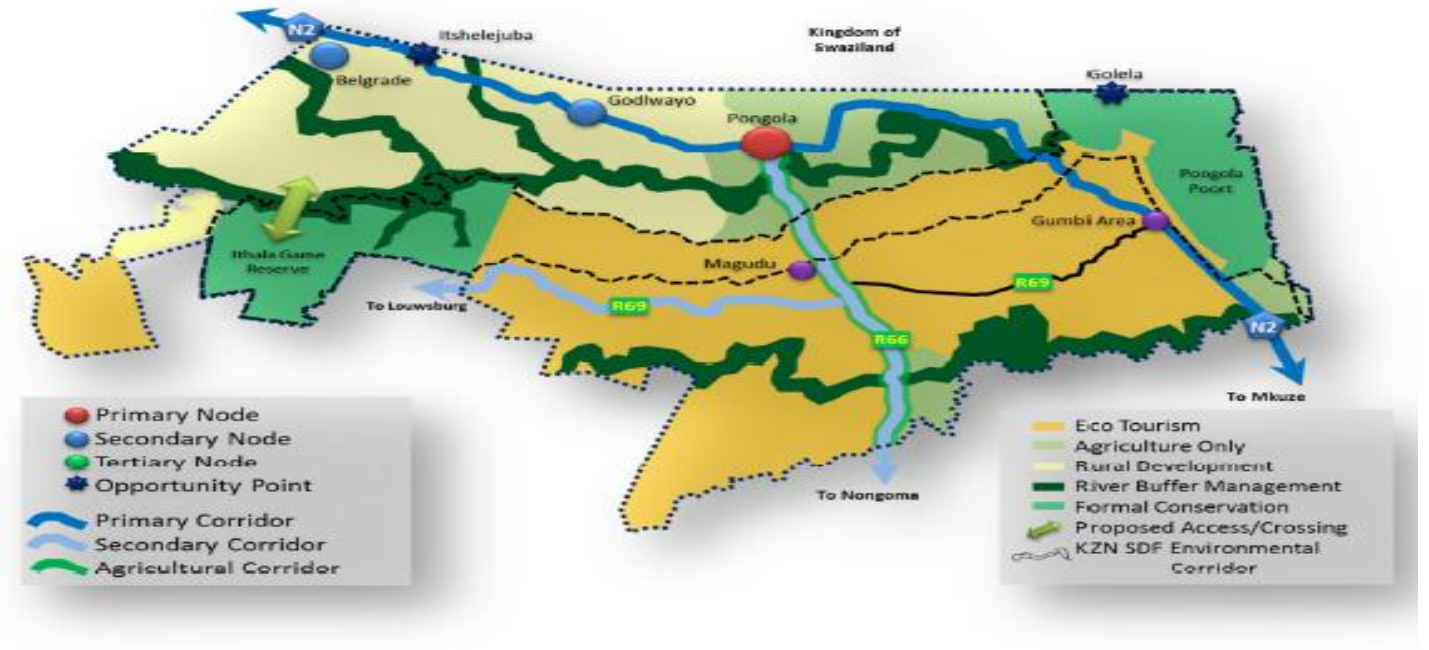
DEVELOPMENT NODES

The SDF indicates three levels of development nodes, i.e.:

PRIMARY DEVELOPMENT NODE, consisting of Pongola as the municipal center, envisaged to accommodate activities and facilities serving the entire municipality, see also separate detail explorations,

SECONDARY DEVELOPMENT NODE, consisting of Belgrade and a node halfway between Belgrade and Pongola, envisaged to serve the surrounding region and making usage of their location along the N2, see also separate detail explorations,

TERTIARY DEVELOPMENT NODE, strictly local service node serving the surrounding communities, mostly based on a collection of existing local facilities and activities, see also separate detail explorations.



C 1.4. LAND COVER AND BROAD LAND USAGE

There is a strong link between topography and land use which, by implication includes accessibility.

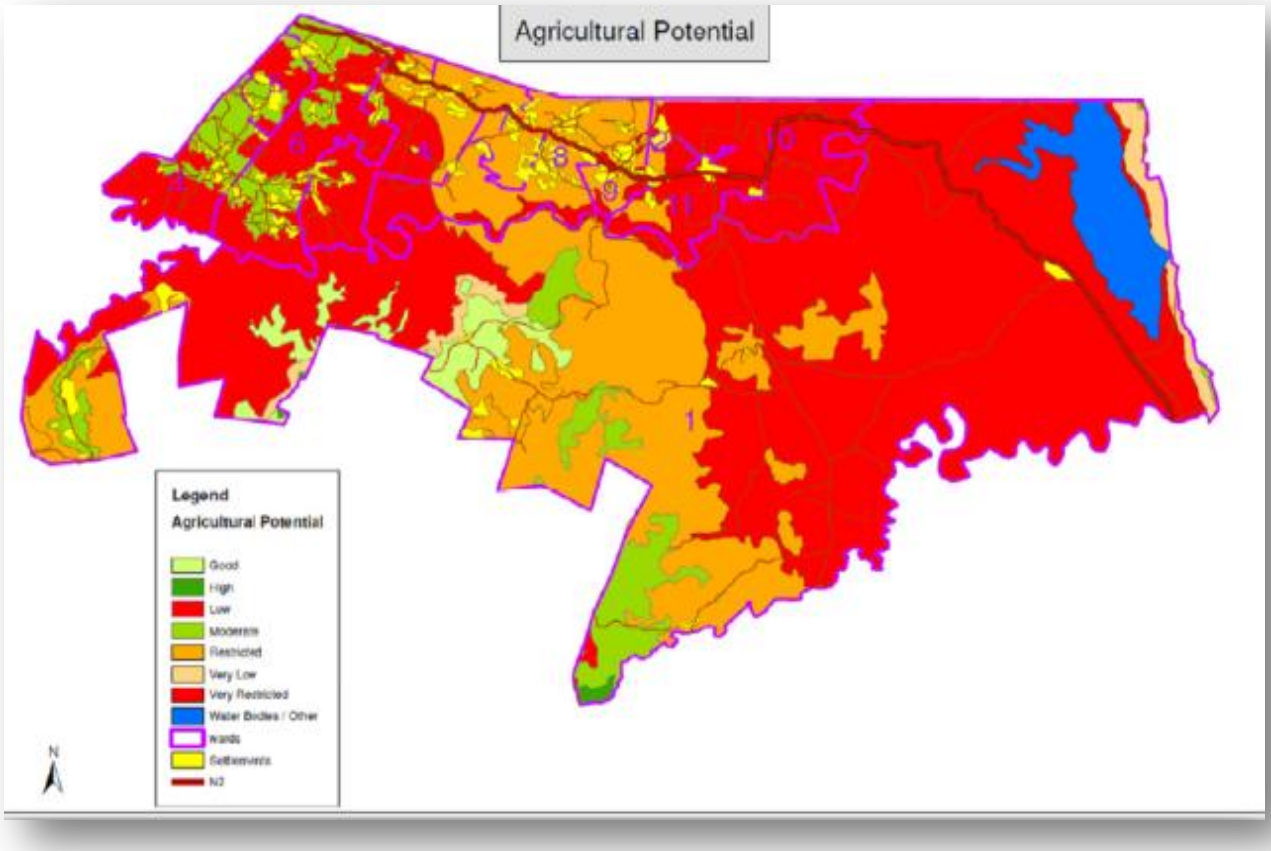
In broad terms the existing land use of the municipality can therefore be categorized as follows:

Urban Development: consisting largely of Pongola / Ncotshane and Belgrade, located in close proximity of the N2 and in flat topographic conditions, the towns have been previously identified as primary and secondary nodes and have growth potential, some densification also has taken place in parts of the traditional settlement areas in the vicinity of the N2.

Rural Development: covering much of the traditional settlement areas in traditional dispersed manner, some densification in the vicinity of the N2, as indicated development guidance is essential to encourage more structured growth taking into account both prevailing traditions, infrastructure improvement, sustainability, economic development and the preservation of the natural environment.

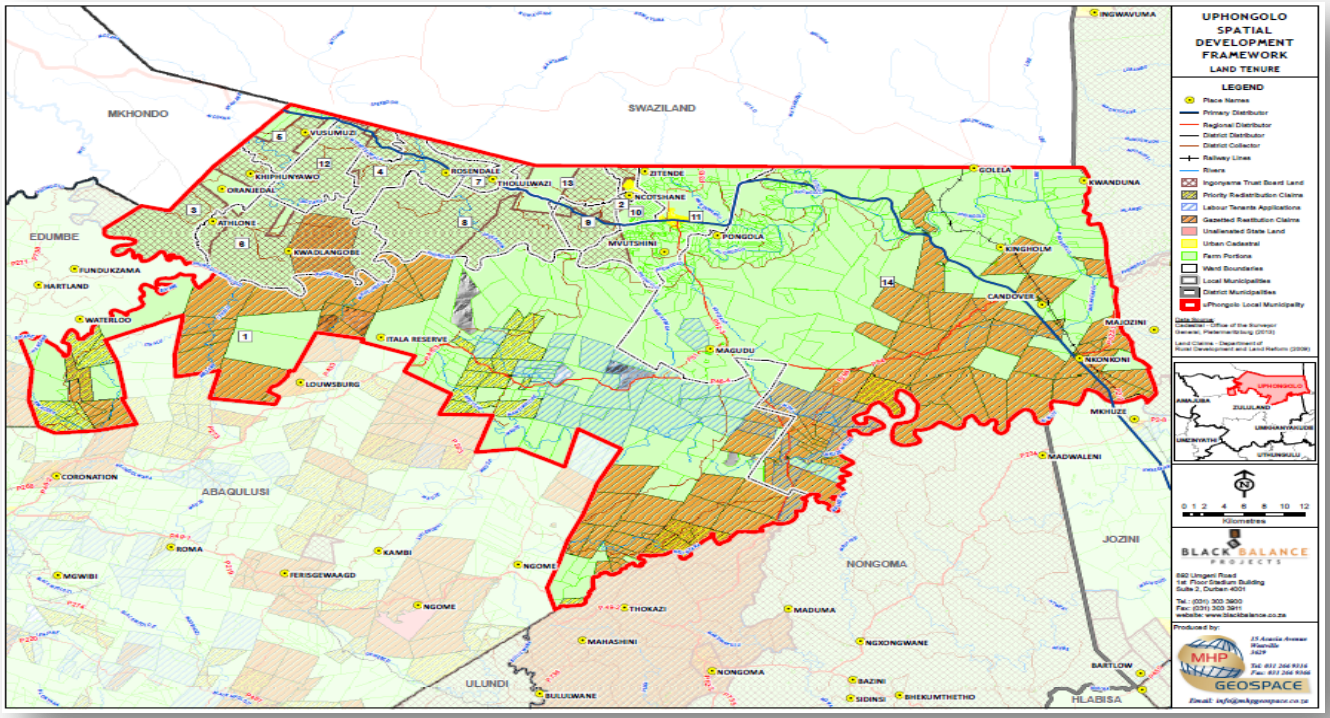
Agriculture: largely located in flat topographic conditions in river valleys, in particular east of Pongola, much of activities consist of commercial sugar cane and vegetable farming. A level of subsistence farming forms an integral part of the traditional settlement areas.

Tourism and Nature Reserves: one of the main economic activities in the municipality extending over much of the municipality. There exist a series of additional opportunities, such development must however be based on an appropriate protection, management and utilization of the substantial natural resources of the municipality and an appropriate co-ordination of the tourism /recreation activities.



C 1.5 LAND OWNERSHIP

The larger north western part of uPhongolo Local Municipality is managed by Tribal Authorities, whilst the eastern part of the Municipality consists of privately owned farms. Only a few areas have official cadastral boundaries and include Pongola Town and Ncotshane. The settlements not situated within the area of a Tribal Council include Magudu, Candover, Nkonkoni, Kingholmand Ithala Reserve.



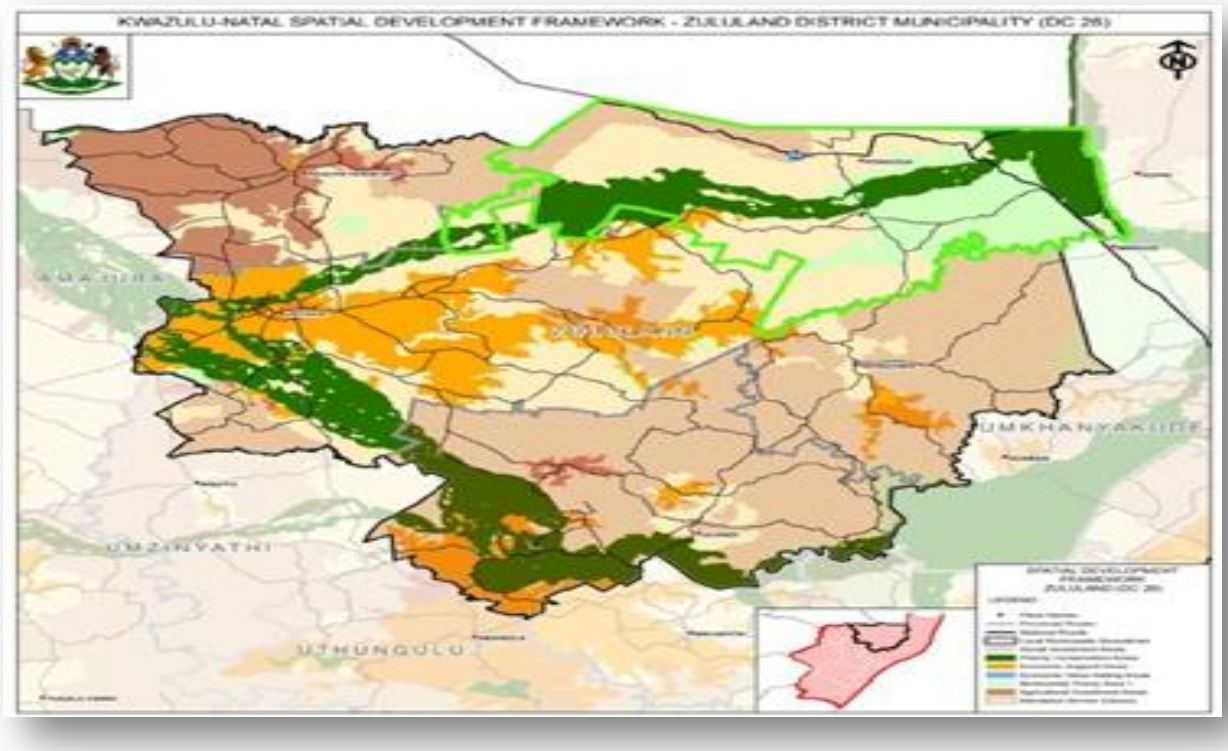
C 1.6 Land Reform

Much of the land in the municipality is in the ownership of three categories of land owners, i.e. state, private individuals and Ingonyama Trust.

State-owned land consists of land in the ownership of the local municipality and various provincial and national departments. The extent and location of formal nature conservation areas are in this context of significance. Much of the traditional settlement areas are in the ownership of the Ingonyama Trust and this has, in particular in the past, limited external investment in the areas. The majority of the land is held by private companies and individuals being used for agricultural purposes and nature and game experiences. Various trusts and traditional authorities have benefited from the land restitution process and green fund by both Department of Rural Development & Land Reform and Dept. Agriculture & environmental affairs especially in ward 1, ward 14 and part of ward 10 e.g. Inkunzana trust, Somkhanda game reserve, Ntshangase Traditional authorities to name but few.

His Majesty King Zwelithini Goodwill kaBhekuzulu attending Africa Rural Development Forum in Benin which took place from the 02 - 04 April 2013 in Cotonou, Republic of Benin.

C 1.7. ENVIRONMENTAL ANALYSIS



The provincial SDF identified the following intervention areas on which the Integrated Provincial Infrastructure Plan will be based:

- Social Investment areas
- Priority Conservation areas
- Economic Support areas
- Economic value adding areas
- Biodiversity Priority areas
- Agricultural investment areas
- Mandated Service Delivery

It is the intention that District and Local municipalities align their respective SDF's with the provincial plan to structured and sensible development that work towards a common goal and ensure that development on local level does not take place in an ad hoc silo on its own.

SPATIAL VARIABLES

- Environmental Sensitivity
- Economic Potential
- Social Need
- Urban Accessibility

In order to effectively combine these four variables into a single map of key intervention areas, the categories/level of each variable was weighted and ranked into five similarly described categories to allow for effective overlaying comparisons.

uPhongolo municipality has a number of environmental sensitive areas, of which some areas are already formally protected.

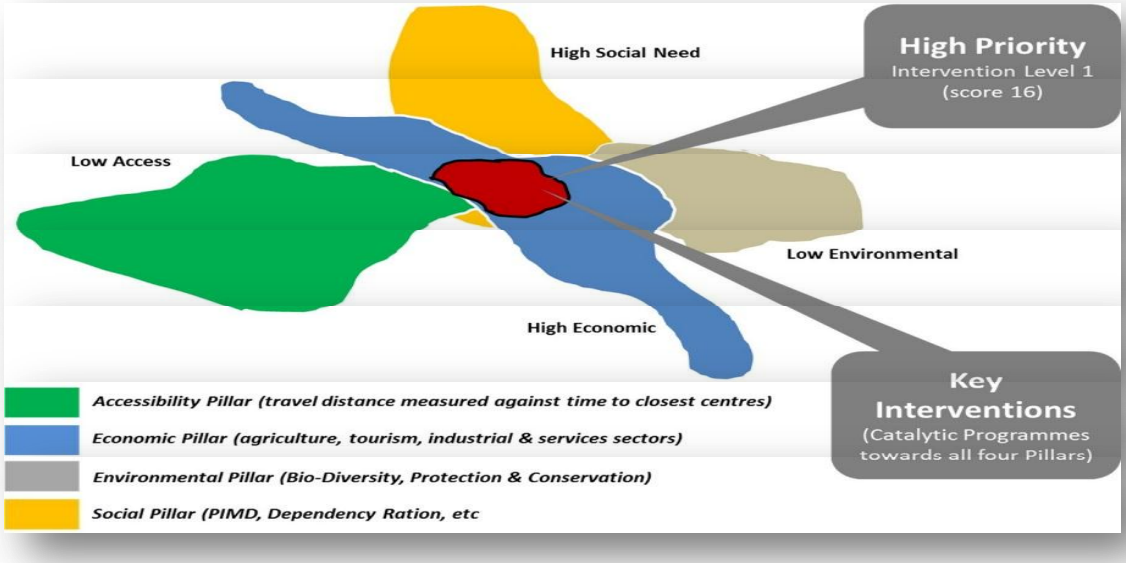
Environmental Sensitivity attached overleaf depicts the Ithala Reserve and the Pongola Poort Nature Reserve as the two formally protected areas in the Municipality. Ithala Game Reserve is located on the south western boundary of the municipality directly south of the Phongolo River.

Pongola Poort dam is situated on the eastern boundary of the Municipality. The environmental Conservation corridor as identified by the KwaZulu-Natal Spatial Development Framework is clearly visible and traversing the municipality in an east west direction. The main areas where sugar cane production takes place is classified as 100% Transformed, or classified as areas with no sensitivity (Priortiy Area 3).

Biodiversity Priority areas are mainly concentrated in the eastern side of the Municipality, between the R66 and the Pongola Poort Dam. A very limited number of small Priority 1 Biodiversity Area pockets are situated adjacent the Ithala Game Reserve and the Edumbe LM Boundary.

HIGH PRIORITY INTERVENTION AREA

Social Need		Economic Potential		Environmental Vulnerability		Accessibility	
Highest	4	Highest	4	Low	4	Low	4
Moderate-High	3	Moderate-High	3	Moderate-High	3	Medium-Low	3
Moderate	2	Moderate	2	Moderate	2	Medium-Low	2
Moderate-Low	1	Moderate-Low	1	Moderate-Low	1	Medium-High	1
Low	0	Low	0	Highest	0	Highest	0



C 2.DEMOGRAPHICS

C 2.1. KEY STATISTICS

Census 2011 data was used in the following chapter. According to the 2001 Census data, the uPhongolo Local Municipality had a total population of 119 781, which increased to 127 238 in 2011 and a positive growth of 5.75% was therefore experienced over these ten years.

Indicator	uPhongolo Municipality
Area	3 239 km²
Population	127 238
Households	28 772
Number of settlements	104
Urban areas	1 town and 4 small urban settlements
% rural population	82% (18 165 households)
% urban population	18% (3 947 households)
Gender breakdown	Males 46,9 %
	Females 53,1 %
Age breakdown	0 – 14 51.78% /15 – 64 43.93% /65 + 4.29%
Life expectancy	1998 65 years
	2011 48 years

Source: Stats SA – Census 2011

C 2.2. POPULATION SIZE

According to the national census in 2011 the uPhongolo Municipality had a population of 127 238 persons. The percentages of residents per ward vary from 4% in Ward 13 to 9% in Ward 9. The current population numbers per ward should guide the allocation of resources by the Municipality.

C2.2.1 POPULATION DENSITY PER WARD

Ward	Area (Ha)	Ward Population	1 Person / K m²
1	1188.50	11501	9.676916
2	1.42	8659	6095.122
3	90.84	8061	88.74065
4	57.36	10721	186.9165
5	40.72	8313	204.1578
6	149.89	7712	51.4526
7	22.41	7293	325.4762
8	141.75	7861	55.45576
9	28.21	11970	424.3758
10	20.06	10878	542.1383
11	114.16	10830	94.8683
12	71.00	9365	131.9076
13	39.79	5159	129.6417
14	1273.40	8772	6.888669

Source: Stats SA – Census 2011

C 2.2.2 DISTRIBUTION OF POPULATION BY AGE AND SEX, 1996, 2001 and 2011

KZN262: UPhongolo	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	6 751	6 868	13 619	7 663	8 038	15 701	8 838	8 962	17 800
5-9	7 273	7 373	14 646	8 266	8 097	16364	8 042	8 120	16 162
10-14	6 827	7 095	13 922	8 398	8 492	16 890	8 155	7 910	16 065
15-19	5 482	6 052	11 534	7 704	8 169	15 873	7 961	7 897	15 858
20-24	4 086	5 135	9 220	5 249	5 941	11 190	6 380	7 087	13 467
25-29	2 828	3 714	6 543	3 968	4 639	8 607	4 997	5 766	10 762
30-34	2 261	3 332	5 593	2 959	3 792	6 751	3 354	3 894	7 247
35-39	2 123	2 813	4 936	2 476	3 335	5 811	2 615	3 192	5 806
40-44	1 859	2 195	4 054	2 343	3 018	5 361	2 021	2 793	4 814
45-49	1 377	1 625	3 002	1 881	2 373	4 254	1 635	2 554	4 188
50-54	1 035	1 148	2 183	1 476	1 689	3 165	1 665	2 318	3 983
55-59	904	1 224	2 127	1 072	1 270	2 342	1 315	1 873	3 188
60-64	679	1 076	1 755	990	1 471	2 462	970	1 467	2 438

65-69	541	1 128	1 669	600	1 085	1 685	613	992	1 605
70-74	363	557	920	479	1 082	1 561	538	1 022	1 560
75-79	295	427	722	324	480	805	263	685	948
80-84	118	148	265	236	426	662	184	573	757
85+	84	155	239	94	205	298	182	406	588
Total	**44 884**	**52 065**	**96 949**	**56 178**	**63 602**	**119 781**	**59 728**	**67 510**	**127 238**

Source: Stats SA – Census 2011

C.2.2.3 DISTRIBUTION OF THE POPULATION BY POPULATION GROUP (BLACK AFRICAN) AND SEX 1996, 2001 AND 2011

Municipality	**1996**			**2001**			**2011**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
UPhongolo	44 067	51 310	95 377	54 756	62 305	117 060	58 494	66 373	124 867

Source: Stats SA – Census 2011

C.2.2.4 DISTRIBUTION OF THE POPULATION BY POPULATION GROUP (COLOURED) AND SEX 1996, 2001 AND 2011

Municipality	**1996**			**2001**			**2011**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
UPhongolo	42	36	78	55	43	98	60	46	106

Source: Stats SA – Census 2011

C.2.2.5 DISTRIBUTION OF THE POPULATION BY POPULATION GROUP (INDIAN/ASIAN) AND SEX 1996, 2001 AND 2011

Municipality	**1996**			**2001**			**2011**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
UPhongolo	7	10	17	41	31	71	98	83	181

Source: Stats SA – Census 2011

C 2.2.6 DISTRIBUTION OF THE POPULATION BY POPULATION GROUP (WHITE) AND SEX 1996, 2001 AND 2011

Municipality	**1996**			**2001**			**2011**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
UPhongolo	1 262	1 262	2 524	1 327	1 225	2 551	992	950	1 942

Source: Stats SA – Census 2011

C 2.2.7 DISTRIBUTION OF THE POPULATION BY FUNCTIONAL AGE GROUPS AND SEX 1996, 2001 AND 2011

Municipality	**1996**			**2001**			**2011**		
UPhongolo	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
0-14	20 851	21 337	42 187	24 327	24 627	48 955	39 108	38 294	77 401
15-64	22 633	28 313	50 946	30 118	35 697	65 815	57 864	65 909	123 773
65+	1 401	2 415	3 816	1 733	3 278	5 011	3 502	6 383	9 885
Total	**44 884**	**52 065**	**96 949**	**56 178**	**63 602**	**119 781**	**100 474**	**110 586**	**211 060**

Source: Stats SA – Census 2011

C2.3. GENDER DISTRIBUTION BY WARD

Table 9 below reflects that 53.06% of the total population is female. This trend is reflected in most of the wards, with the percentage of females in Ward 3 being as high as 55.22%

Gender Distribution in the Wards of uPhongolo: Census 2011

WARD	MALE	FEMALE	NO OF PEOPLE
Ward 1	47.81%	52.19%	11503
Ward 2	46.18%	53.82%	8662
Ward 3	44.78%	55.22%	8064
Ward 4	46.28%	53.72%	10736
Ward 5	46.09%	53.91%	8320
Ward 6	45.17%	54.83%	7716
Ward 7	45.69%	54.31%	7301
Ward 8	45.13%	54.87%	7862
Ward 9	46.47%	53.53%	11983
Ward 10	46.63%	53.37%	10880
Ward 11	52.98%	47.02%	10890
Ward 12	44.89%	55.11%	9374
Ward 13	45.53%	54.47%	5159
Ward 14	50.92%	49.08%	8786
UPhongolo Municipality	46.94%	53.06%	127238

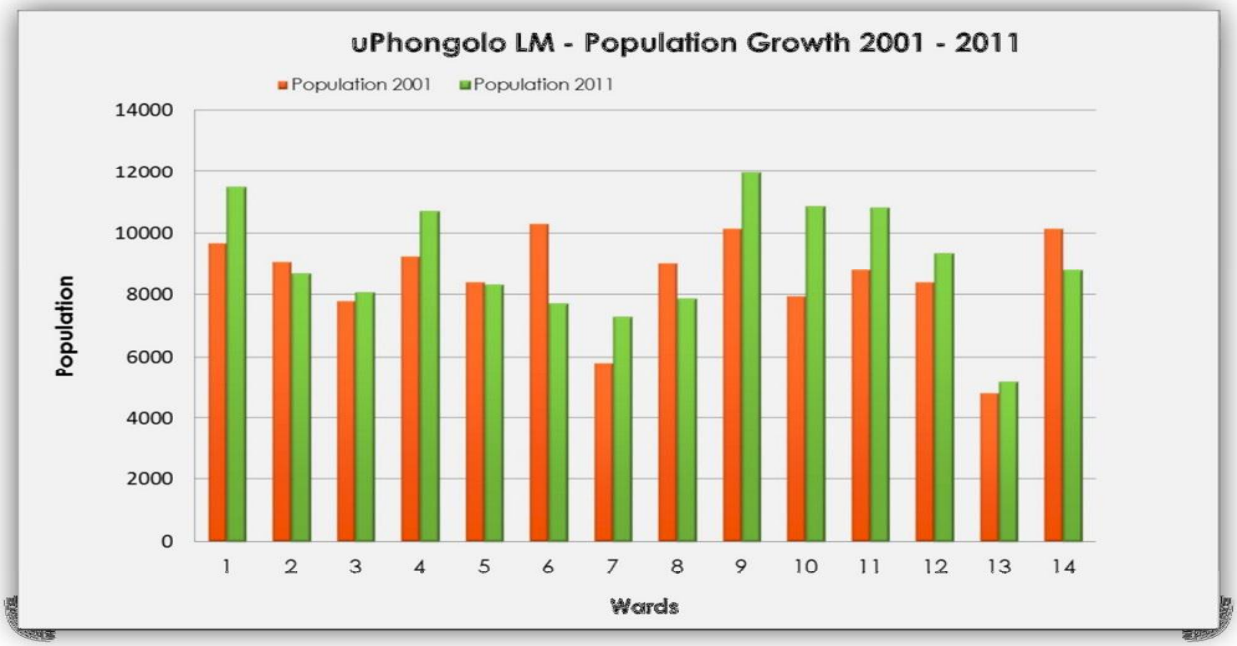
Source: Stats SA – Census 2011

The male-female distribution of the population has a number of implications for planning. Some of the more general aspects to be considered include:

- The specific health and welfare needs of women;
- The needs of women in planning for economic development and job creation;
- Sport and cultural activities specifically relevant to this group;

C 2.4. POPULATION GROWTH RATE

The composition of the population changes as a result of changes in fertility, mortality or migration. If migration is selective at certain age-groups, the sex ratios in those age-groups are likely to be affected. The sex ratios are also affected if there are distortions in the age profile of the population such as age misstatements.



C 2.4.1 POPULATION GROWTH RATE 1996, 2001 AND 2011

Municipality	Total Population		Population growth rate (1996-2001)	Total population	Population growth rate (2001-2011)
	1996	2001			
UPhongolo	98 274	119 781	4.0	127 238	0.6

Source: Stats SA – Census 2011

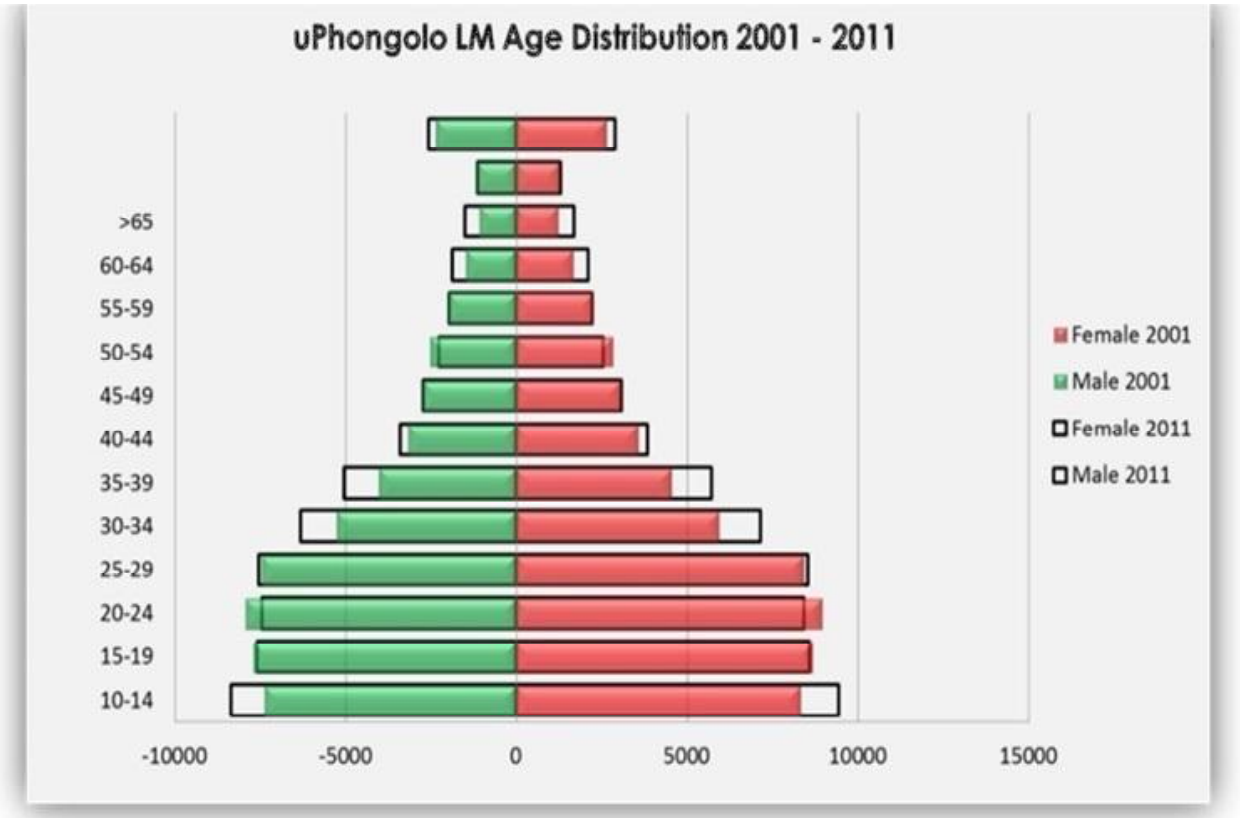
C 2.5. AGE DISTRIBUTION

The Diagram below depicts an estimated split in gender. As indicated the statistical data was used to portray a trend and the % split between male and female for 2001 and 2011. It is clear that females are significantly larger in numbers than males. It is also clear that population of the working age, which is from 20 up to the age of 54, is far greater than the other population groups and consist of 40% of the total population. The school going age group is only 25 % of the population which means that 60% of the population does potentially not earn any income. This has implication in terms of types of services that might be needed to cater for this age group which impacts on the Municipal budgeting thereof.

Age Distribution (Census 2011)

Age Group	Population	Percentage
0-4	17804	13.99%
5-19	48088	37.79%
20-64	55892	43.93%
65+	5454	4.29%
Total	127238	100.00%

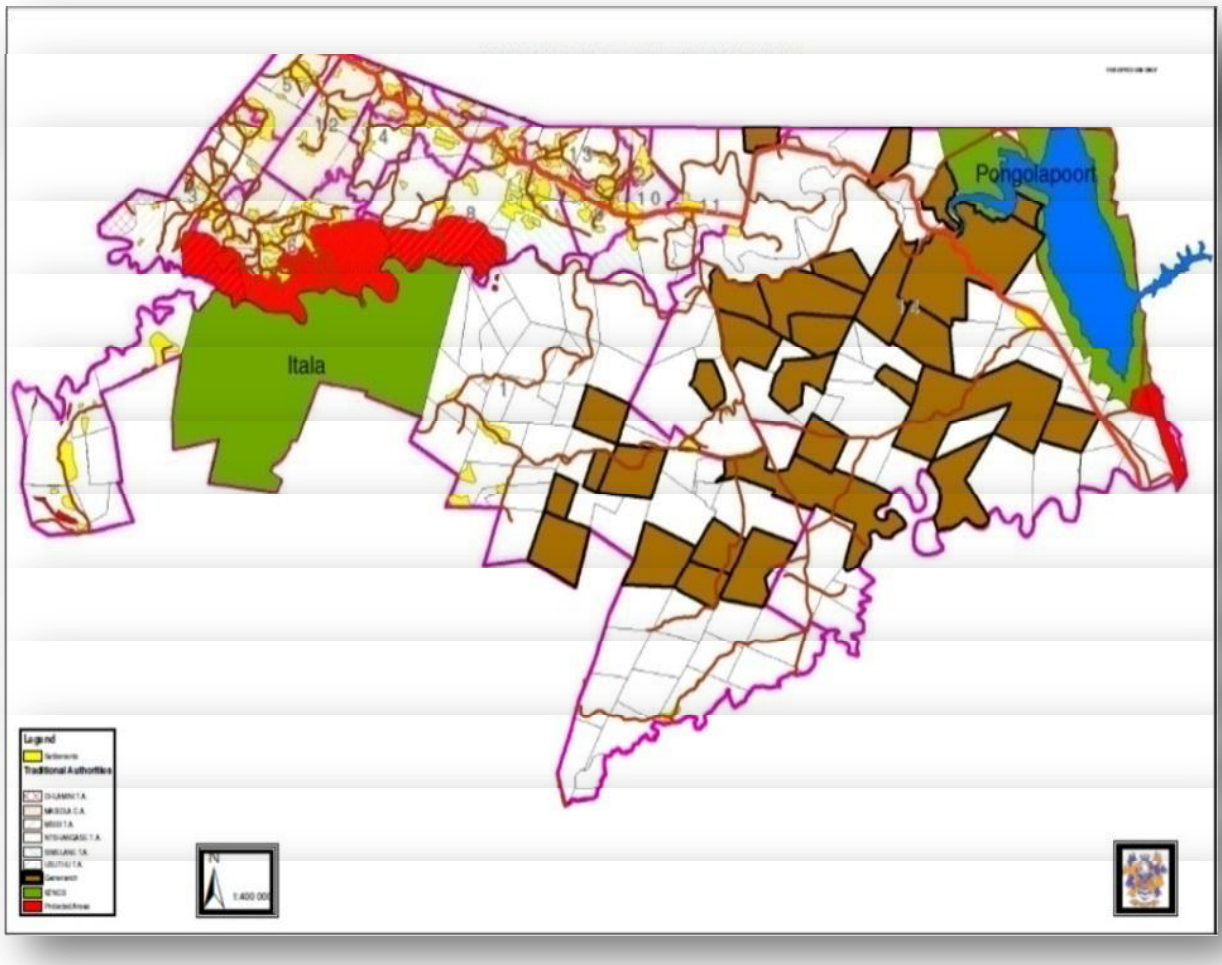
Age Distribution (Census 2011)



C 2.6 SETTLEMENT DISTRIBUTION

The uPhongolo Municipality is seen by many stakeholders in development as consisting of primarily Pongola Town, Ncotshane, Belgrade, Magudu, Golela and a number of other nodes. However, it is important to note that only a small portion of the population of the Municipality resides in these nodes. In order for the municipality to effectively address the needs of the majority of the residents of the municipality a thorough understanding of settlement characteristics in the uPhongolo Municipality must be developed. For this purpose the Municipality has initiated the development and ongoing maintenance of a settlement database linked to the Geographic Information System (GIS) of the municipality. It should be noted that the ZDM is currently updating homestead counts, population figures and levels of services in these settlements. In order for the settlement database to be used effectively as a planning tool, an approach to maintaining/updating the database will have to be developed.

Map 3: uPhongolo Settlements



C2.7. EDUCATION LEVELS

Comparisons between Censuses 1996 and 2011 as well as Community Survey 2007 reveals that up to age 12 years there was an increase between 1996 and 2011 in the percentage attending an educational institution, but from age 13 years and older the proportion decreased. On the other hand, CS 2007 shows an increase up to age 17 with steep increase between the ages 5 and 6. However the percentage for those 18 years and older the proportion decreased. Overall high attendance rates for persons 16 years and younger is evident.

Adult Education Levels (Census 2011)

Municipality	**1996**			**2001**			**2011**		
UPhongolo	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
No schooling	6 511	8 938	15 450	8 224	12 006	20 229	4 962	7 249	12 211
Some primary	3 737	5 627	9 364	4 684	5 851	10 535	4 227	5 570	9 797
Complete primary	1 246	1 819	3 065	1 410	1 831	3 241	1 365	1 834	3 199
Some secondary	4 135	5 093	9 229	5 697	6 398	12 095	7 830	9 574	17 404
Std 10/Grade 12	1 896	2 217	4 113	3 188	3 569	6 757	6 941	8 762	15 703
Higher	600	497	1 097	944	1 152	2 096	1 320	1 535	2 855
Total	**18 126**	**24 191**	**42 317**	**24 147**	**30 807**	**54 953**	**26 645**	**34 523**	**61 168**

Source: Stats SA – Census 2011

Distribution of population aged between 5 – 24years by school attendance 1996, 2001 and 2011

Municipality	**1996**			**2001**			**2011**		
UPhongolo	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Attending	16 946	17 703	34 649	22 050	21 578	43 627	22 510	21 445	43 954
Not attending	6 435	7 764	14 199	7 568	9 121	16 689	6 977	8 393	15 370
Total	**23 381**	**25 467**	**48 848**	**29 618**	**30 699**	**60 316**	**29 487**	**29 837**	**59 324**

Source: Stats SA – Census 2011

C 2.8. HIV/AIDS SCENARIOS

HIV/AIDS poses an enormous developmental challenge for KwaZulu Natal. KwaZulu Natal has both the largest number of people living with HIV/AIDS of the nine provinces and the highest HIV/AIDS prevalence rate. There is a striking difference between HIV prevalence in the total population and amongst antenatal clinic attendees. The prevalence amongst antenatal clinic attendees stood at 40.7% in 2004 while the estimated population prevalence was at 15.4% stood at less than half that figure.

EMPLOYMENT STATUS

Municipality	**Employed**			**Unemployed**			**Unemployment rate**		
UPhongolo	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**
Total	13 134	15 908	17 668	9 757	15 080	9 955	42.6	48.7	35.5

Source: Stats SA – Census 2011

C3.9. AVERAGE HOUSEHOLD SIZE

According to the ZDM's Household analysis the Municipality has an average household size of 6.76. This figure indicates the actual situation in the municipal area and is much more correct than the STATSSA figures. The average household size of the uPhongolo Local Municipality according to STATSA was calculated by subdivision of the population figures with the number of households recorded. The average household size is therefore is 4 persons per household. This has also a huge influence on service delivery due to the impact on infrastructure services design parameters and actual provision.

Household size

Municipality	Total household population			Number of households			Average household size		
UPhongolo	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**
Total	97 372	115 384	125 197	15 967	24 814	28 772	6.1	4.6	4.4

Source: Stats SA – Census 2011

DISTRIBUTION OF HOUSEHOLD BY TYPE OF MAIN DWELLING

Municipality	Formal Dwelling			Informal Dwelling			Traditional Dwelling		
UPhongolo	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**
Total	8 371	16 331	24 013	313	398	342	7 121	8 011	4 115

Source: Stats SA – Census 2011

DISTRIBUTION BY TENURE STATUS

Municipality	Owned and fully paid for		Owned but not yet paid off		Rented		Occupied rent-free	
UPhongolo	**2001**	**2011**	**2001**	**2011**	**2001**	**2011**	**2001**	**2011**
Total	11 835	14 492	1 063	1 833	2050	5 306	9 866	6 468

Source: Stats SA – Census 2011

DISTRIBUTION OF HOUSEHOLDS WITH RADIO, TELEVISION …

Municipality	Radio		Television		Computer		Refrigerator		Landline/telephone		Cell-phone		Internet
UPhongolo	**2001**	**2011**	**2001**	**2011**	**2001**	**2011**	**2001**	**2011**	**2001**	**2011**	**2001**	**2011**	**2011**
Total	27 340	32 423	14 408	27 632	1 293	4 877	13 596	24 571	6 037	3 252	9 873	38 702	12 989

Source: Stats SA – Census 2011

DISTRIBUTION OF HOUSEHOLDS USING ELECTRICITY FOR LIGHTING, HEATING AND COOKING

Municipality	Lighting			Heating			Cooking		
UPhongolo	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**
Total	6 602	13 280	21 004	3 109	7 424	11 528	3 731	7 482	16 700

Source: Stats SA – Census 2011

DISTRIBUTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER

Municipality	Piped (tap) water inside dwelling/yard			Piped (tap) water on a communal stand			No access to piped (tap) water		
UPhongolo	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**	**1996**	**2001**	**2011**
Total	4 246	10 053	15 026	2 756	4 992	6 081	8 768	9 769	7 664

Source: Stats SA – Census 2011

DISTRIBUTION OF HOUSEHOLDS BY TYPE OF REFUSE REMOVAL

Municipality	Removed by local authority/private company			Communal/own refuse dump			No rubbish disposal		
UPhongolo	1996	2001	2011	1996	2001	2011	1996	2001	2011
Total	2 207	4 783	6 767	7 657	15 239	17 358	5 745	4 793	3 808

Source: Stats SA – Census 2011

DISTRIBUTION OF HOUSEHOLDS BY TYPE OF TOILET FACILITY

Municipality	Flush or chemical toilet			Pit latrine			Bucket latrine			None		
UPhongolo	1996	2001	2011	1996	2001	2011	1996	2001	2011	1996	2001	2011
Total	1 608	4 189	4 893	7 262	9 063	15 183	61	149	201	6 946	11 413	7 899

Source: Stats SA – Census 2011

DISTRIBUTION OF AVERAGE HOUSEHOLD INCOME

Municipality	Formal Dwelling	
UPhongolo	2001	2011
Total	20 191	48 984

Source: Stats SA – Census 2011

DISTRIBUTION OF FEMALE HEADED HOUSEHOLDS

Municipality	No. of household headed by a women			Number of households			% of female headed households		
UPhongolo	1996	2001	2011	1996	2001	2011	1996	2001	2011
Total	7 114	12 151	13 993	15 967	24 814	28 772	44.6	49.0	48.6

Source: Stats SA – Census 2011

DISTRIBUTION OF HOUSEHOLDS HEADED BY CHILDREN

Municipality	No. of households headed by Children			Number of households			% of households headed by children		
UPhongolo	1996	2001	2011	1996	2001	2011	1996	2001	2011
Total	172	429	475	15 967	24 814	28 772	1.1	1.7	1.7

Source: Stats SA – Census 2011

C 3. INSTITUTIONAL ANALYSIS

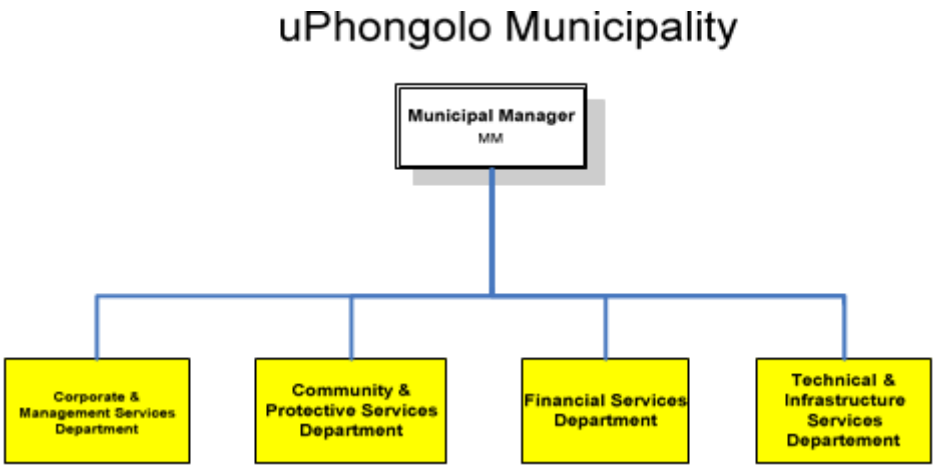
C 3.1. ORGANISATIONAL STRUCTURE

The Municipality consists of five (5) departments namely:

- Municipal Manager's office
- Finance Department
- Technical Services Department
- Corporate Services Department
- Community Services Department

These Departments are headed by Officials appointed in terms of Section 57. The responsibilities and functions of each of these departments are explained in further in this report.

uPhongolo LM Top Management Structure



C3.1.1. DECISION-MAKING PROCESSES

The Council of uPhongolo Local Municipality consists of 27 Councilors. The Council is chaired by the Speaker, The Honourable CLL H V NGCAMPHALALA.

The Executive Committee is chaired by His Worship the Mayor Cllr MMHadebe.

In order to ensure that there is synergy, and adequate monitoring and control in the performance of the municipality towards achieving the strategic goals that Council set itself; the Council established Portfolio Committees, with each one chaired by an EXCO Member. These Committees meet monthly to track the progress made from time to time in the implementation of the Integrated Development Plan (IDP) of the Municipality.

The following portfolio committees are operational in the Municipality:

- Finance and Budgeting Committee
- Technical Infrastructure and Planning Committee

- Social Development and LED Committee
- Labour forum Committee
- Human Resource Committee
- Skills Development Committee
- Selection Committee
- Tourism Committee
- The financial year 2009/2010 was the year in which the Municipality established its Oversight Committee and started to carry out its founding mandate.

C 3.1.2. COMMUNICATION (INTERNAL/EXTERNAL)

The Communication Plan of uPhongolo Local Municipality is reviewed on an annual basis. The Council has created a post for a Help Desk Clerk and is committed to create a people centered customer care desk that is efficient, effective and truly accessible to all communities serviced by the municipality. To Municipality will conduct a comprehensive customer survey in the 2013/2014 financial year.

C 3.1.3. DEPARTMENTAL OVERVIEW

As already noted, the municipality consists of the following five (5) departments:

- Municipal Manager's office
- Finance Department
- Technical Services Department
- Corporate Services Department
- Community Development Department

OFFICE OF THE MUNICIPAL MANAGER

The Office of the MM comprises the following sections:

- Mayor and Council Support Services
- Internal Audit
- Communication
- Legal Services Unit
- Performance & Risk

CORPORATE SERVICES DEPARTMENT

The Corporate Services Department comprises the following sections:

- Administration Services
- Human Resource Services

COMMUNITY SERVICES DEPARTMENT

The Community Services Department comprises the following sections:

- Protection Services
- Community Services
- Environmental Management

TECHNICAL SERVICES DEPARTMENT

The Technical Services Department comprises the following sections:

- Roads and Storm water
- LED & Town Planning
- Project Management Unit
- Electrical & Mechanical

FINANCE DEPARTMENT

- Supply Chain Management
- Income & Expenditure
- Financial Accounting & Reporting

C 3.2. GOVERNANCE ANALYSIS

C 3.2.1. INTER-GOVERNMENTAL RELATIONS

Intergovernmental structures have been established by the district, uPhongolo municipality has been given a mandate to run the financial advisory forum which must be convened quarterly where section 56 and 57 managers must participate in the IGRs.

C 3.2.2. RISK MANAGEMENT

The risk assessment has been conducted in conjunction with Provincial Treasury. A risk plan has been developed and presented to the Audit Committee for approval.

The municipality is exposed to various risks of loss including theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. The municipality generally obtains insurance to mitigate the risks associated with possible losses but has chosen to retain the risks associated with underground infrastructure i.e. water and sewer pipes networks.

The Audit and Risk Management Committee will, in terms of its authority delegated by Council, facilitate the development of a formal Risk Management Framework and Strategy. The results of the risk assessments should be used to direct internal audit efforts and priorities, and to determine the skills required of managers and staff to improve controls and to manage these risks.

C 3.2.3.FRAUD & CORRUPTION

The Municipality appointed KPMG to draft a comprehensive Fraud Prevention Plan, which was tabled at Council for approval and implementation. The Fraud Prevention Plan must still be workshops with the Council. It is a standing item on the MANCO Agenda and is discussed every second week.

C 3.2.4.PUBLIC PARTICIPATION

Public participation takes place in the form of an External Newsletter that is printed and distributed by Council. Via Ward Committee Meetings and meetings held by Councilors. The community is also informed via the Radio and the Citizens Charter which is distributed each year after the Budget is approved.

C 3.2.5. CUSTOMER SATISFACTION

A comprehensive customer survey will be conducted during the 2014/2015 Financial year and it will then be analyzed and submitted to Council to take action on what is identified as service delivery challenges within the uPhongolo Local Municipal area.

Overall the Municipality has managed to fill in all the section 56 posts with the exception of the Corporate Services Manager who has been recruited but awaits clarification on new S56 regulations.

3.3. SOCIAL AND COMMUNITY DEVELOPMENT ANALYSIS

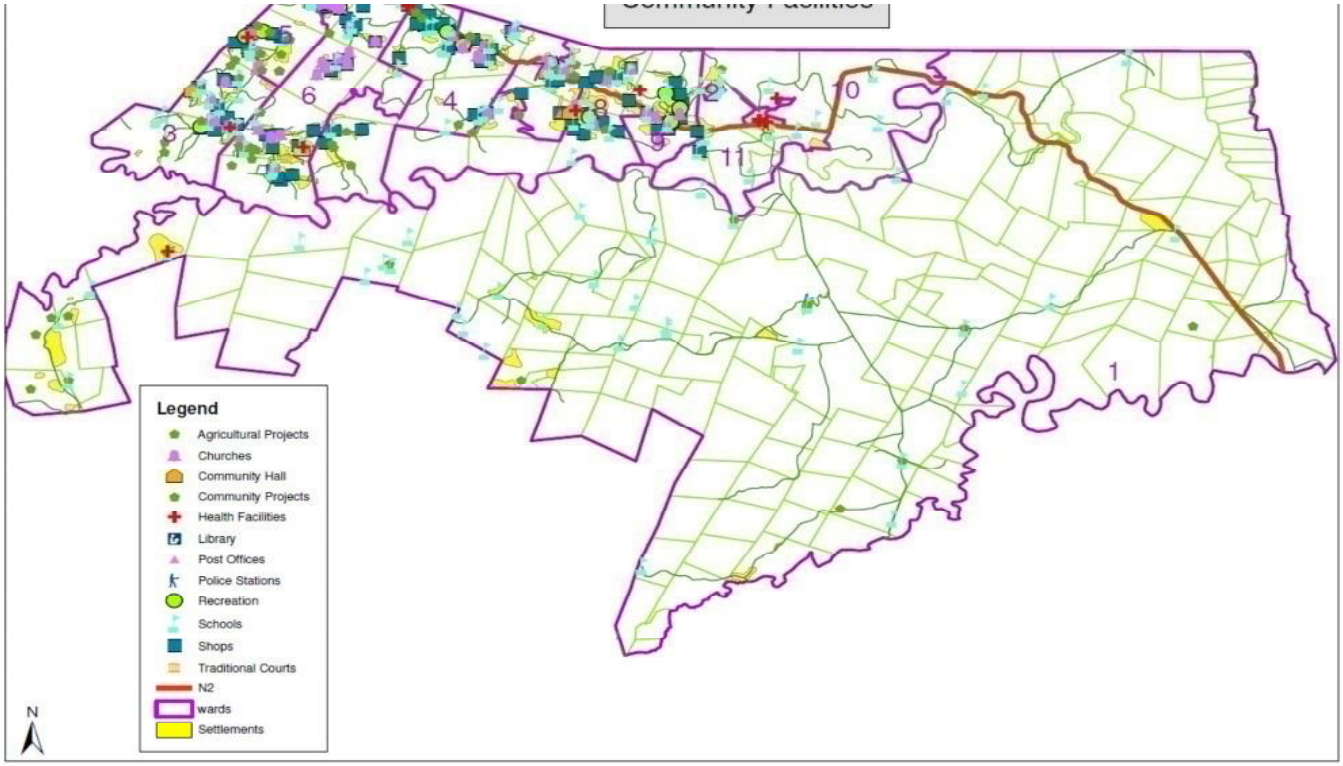
C 3.3.1 COMMUNITY FACILITIES OVERVIEW`

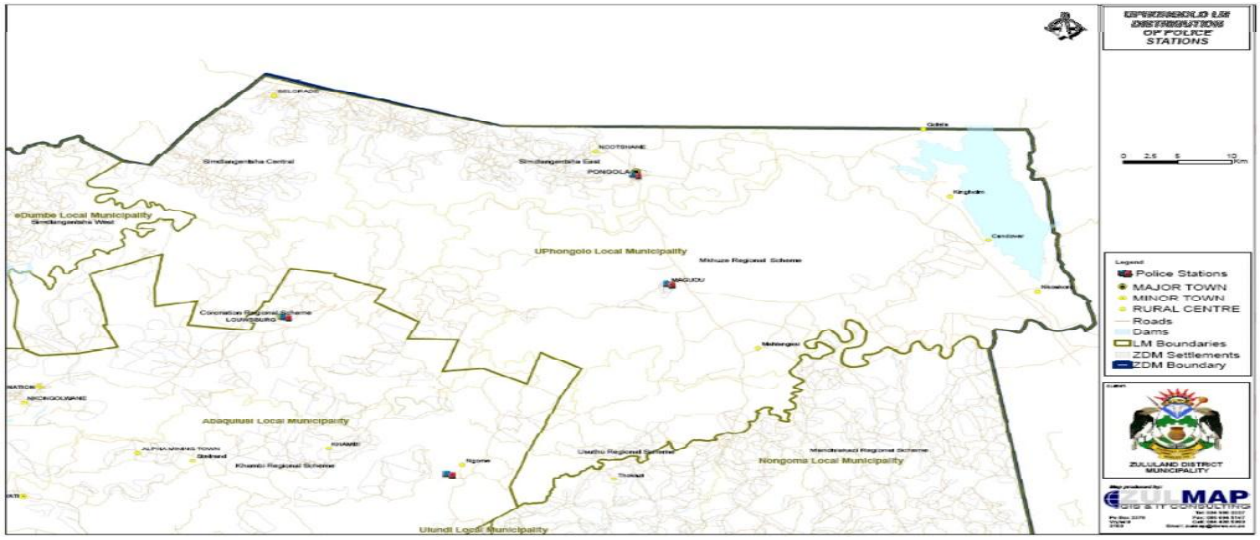
Social Facilities

Social Facilities	
Schools	124
Clinics	15
Shops in Rural Areas	154
Police Stations	2
Recreational Facilities	12
Old Age Home	1
Community Halls	6
Post-Offices	4
Crèche's (Not verified)	34

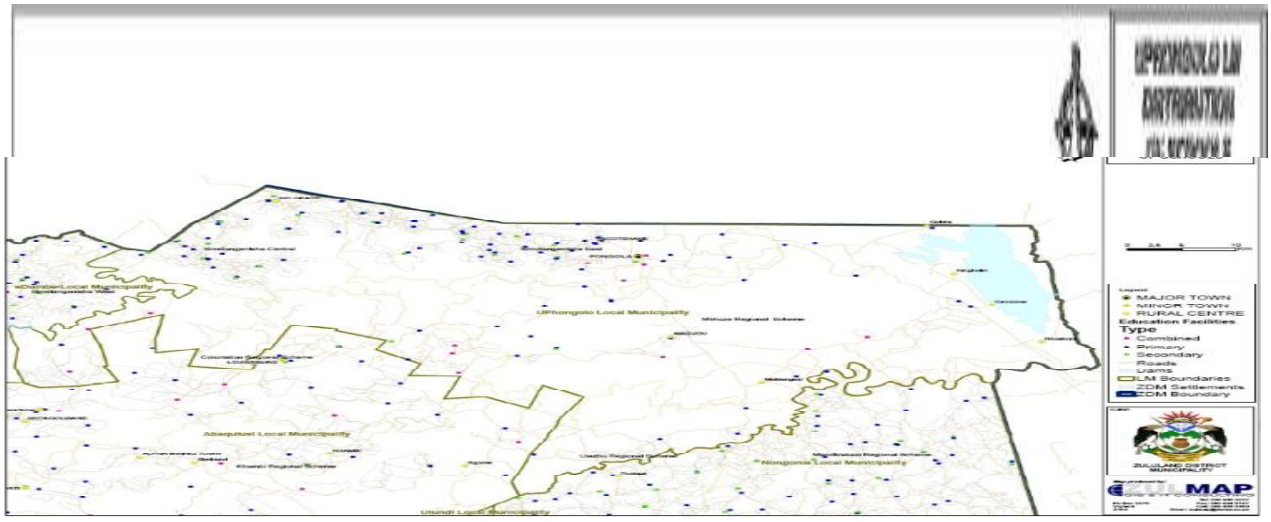
Law Courts	2
Hotels, Resorts & Conference Facilities	27
Cemeteries	7
Municipal Offices	5

Distribution of Police Stations

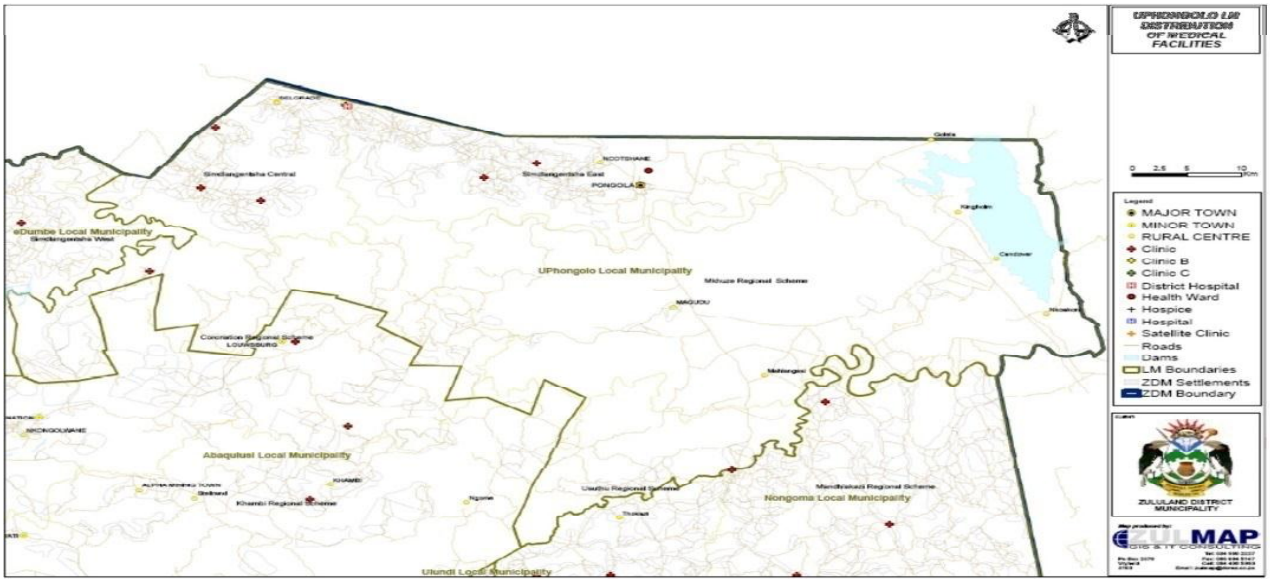




Map 6: Distribution of Schools



Distribution of Medical Facilities



Distance to Community Facilities

Distance to Community Facilities

	Household	Population	Percentage		Population	Percentage	Household	Population	Percentage
Clinic	0-5km -						>		
	773	556	3%	901	6491	4%	427	307	2%
Hospital	0-1 km -						>		
	1185	853	5%	635	4573	3%	292	2106	1%
Primary	0-2.km -						>		
	146	10515	6%	472	339	2%	170	1224	8%
Secondary	0-2.km -						>		
	1049	7555	4%	590	425	2%	491	3537	2%
Police	0-1 km -						>		
	345	248	1%	597	4301	2%	1167	840	5%

201

The following Tables are an extract from the ZDM's Distance Analysis and indicates the area of greatest need for the specific community facilities.

Population Utilising a Clinic Based Upon it being the Closest (>5000 Population Highlighted)

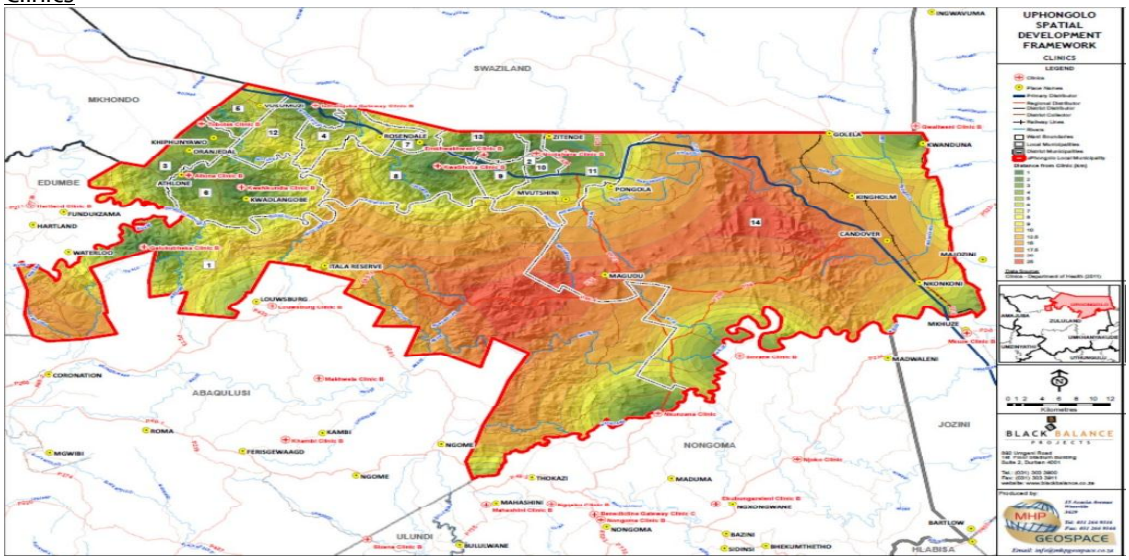
Name	Households	Population
Pongola M2	243	1750
Emkhwakhweni	885	6372
Altona	1556	11203
Pongola	1	7
Pongola Fixed	681	4903
Pongola M1	1941	13975
Tobolsk	1039	7481
Pongola M3	1143	8230
KwaShoba	2668	19210
KwaNkundla	950	6840

Name	Households	Population
Qalukubheka	456	3283
Itshelejuba M1	3064	22061
Isthelejuba Gateway	1425	10260
Simdlangentsha	221	1591
Ncotshane	2975	21420

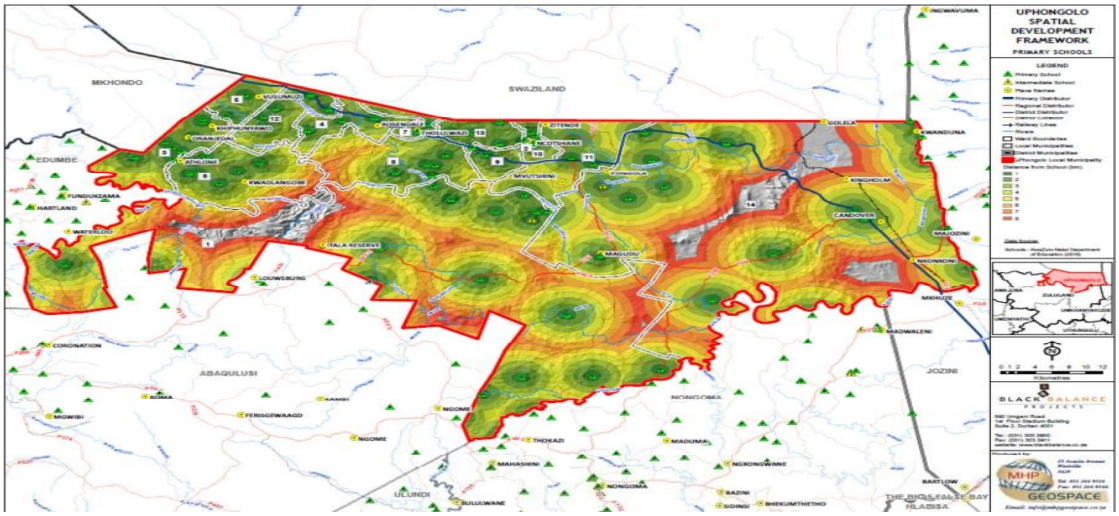
Population Utilising a Hospital Based Upon it being the Closest

Name	Households	Population
Pongola	9994	71957
Itshelejuba	9735	70092

Clinics



Primary Schools



Population Utilising a Primary School Based Upon it Being the Closest (Population >3500Highlighted)

Name	Households	Population
phenyane c	114	821
phondwane p	133	958
kwa mphatha p	52	374
ubucubobuhle sp	148	1066
umgnama intermediate	254	1829
bhekani p	84	605
ngangayiphi p	2	14
velobala jp	100	720
kwamfundeni sp	120	864
vimbemshini cp	207	1490
mkhunjini cp	235	1692
vulamehlo p	346	2491
mbangomuni p	22	158
laconco p	127	914

Name	Households	Population
lalela jp	171	1231
lelieshoek p	81	583
ziqalele sp	243	1750
magadlela jp	20	144
maguduberg p	131	943
mgazini lower p	634	4565
mahlabaneni p	210	1512
altona sp	305	2196
makhoti p	114	821
empakama public	160	1152
emthunzini p	30	216
ntshiyangibone p	239	1721
enkubunjani p	102	734
moreson p	42	302
nyawoshane p	82	590
esinqeni public	371	2671
mthinteni cp	193	1390
mthawenga p	167	1202
ozweni p	1150	8280
mnyame p	94	677
petergate p	135	972
mtakayise cp	11	79
mshokobezi jp	270	1944

Name	Households	Population
golela p	106	763
pongola akademie	585	4212
pongola intermediate	874	6293
gqamnjengelanga p	153	1102
dwarsrand p	161	1159
pumula p	89	641
nkonzweni p	106	763
dumenkungwini p	318	2290
qambushilo lp	182	1310
sakhumuzi p	316	2275
selinde p	97	698
sibiyangankomo p	219	1577
sibonile p	154	1109
inkosentsha p	148	1066
simandlangentsha hp	1404	10109
simunye p	432	3110
sinothando jp	502	3614
cottlands intermidiate	62	446
sivule p	140	1008
itshelejuba p	579	4169
siyaqhubeka lower p	187	1346
siyaziqeqesha p	525	3780
siyethemba p	291	2095

Name	Households	Population
siyeza p	1022	7358
jabulisani p	157	1130
sizakala p	139	1001
buhlebuzile lp	398	2866
sizamile jp	173	1246
khalanyoni p	88	634
sondaba p	189	1361
mange p	53	382
manyandeni p	457	3290
sozama h	213	1534
khiphunyawo hp	191	1375
thekwane p	77	554
masithokoze cp	614	4421
bongaspoort jp	48	346
klein-eden p	233	1678
thembokuhle lower p	85	612
klipwal p	491	3535
tholulwazi sp	582	4190
mgulwane p	77	554
kortnek lower p	277	1994
mqubula p	21	151
kuneningi jp	151	1087
kwa banakile public p	101	727

Name	Households	Population
kwa mlimisi cp	213	1534
kwa mngotho p	44	317

Population Utilising a Secondary School Based Upon it Being the Closest (Population >8000Highlighted)

Name	Households	Population
phenyane c	246	1771
dingukwazi ss	1053	7582
mthombowesizwe h	1	7
enhlanhleni s	726	5227
masiphula js	1194	8597
cottlands intermidiate	421	3031
khulumeluzulu h	632	4550
khoza h	437	3146
kwamziwentsha h	213	1534
vukanimazulu s	150	1080
pongola akademie	646	4651
pongola intermediate	1018	7330
dwarsrand p	288	2074
bambanani h	803	5782
makhoti p	163	1174
mbhekwa h	1392	10022
mlomokazulu js	324	2333
bonginhlanhla h	938	6754

Name	Households	Population
umgnama intermediate	662	4766
mpindiso h	698	5026
bongokuhle h	82	590
bhekani p	151	1087
magutshwa h	690	4968
kwa banakile public p	98	706
lalela finishing	185	1332
intonga h	408	2938
siqalukubona h	286	2059
mtshekula h	480	3456
landokwakhe s	714	5141
magwegwana secondary	204	1469
sibumbene h	650	4680
dwaleni h	1676	12067
ophongolo h	647	4658
sigqamise h	660	4752
langa js	309	2225
klein-eden p	400	2880
sebenzakanzima s	754	5429
somile h	328	2362

Population Utilising a Police Station Based Upon it Being the Closest (Population >2500Highlighted)

Name	Households	Population
PONGOLA	18530	133416
EKOMBE	944	6797

In light of the crime situation in the country this is an extremely concerning situation as it is indicated that the Municipality has a huge backlog in terms of police stations.

C 3.3.2. HOUSING

The following is a verbatim extract from the Municipality's Housing Sector Plan as prepared by Vuka Town and Regional Planners.

The Housing Vision of the uPhongolo Municipality is:

"All the people of the uPhongolo Municipality have access to housing that meets the requirements of the National Department of Housing, all slums are eradicated by 2010 and more people own houses".

The housing structures prevalent in the uPhongolo area vary from traditional wattle and daub largely found in the tribal and rural areas to the formal and even upmarket structures within the main centres of Pongola and Belgrade.

Ncotshane, in particular, has largely old-style "township" designed houses. In the rural areas the lifestyle tendency is that of extended families living together with economically active adults moving into formal areas, providing better access to employment opportunities.

A large portion of the population of the uPhongolo Municipal area live in rural areas and are concentrated in the Tribal areas in scattered homesteads known as imizi. Homesteads are of a mixed nature and include both modern dwellings and traditional thatched huts. A small portion of the population lives as tenants on farms. The remainder of the population is concentrated in and around urban areas in informal settlements, particularly around Pongola and Belgrade and in the Ncotshane area.

The following housing types can be distinguished:

- Traditional households include a clustered number of thatched roofed huts and lack basic infrastructure;
- Formal dwellings are houses with a solid top structure, made of concrete and are served with basic infrastructure; and
- Informal dwellings are made from a variety of materials, are not structurally secure and are without basic infrastructure.

Housing demand is defined as the number of households requiring housing. Based on current population n estimates and available data on housing it is estimated that the current housing backlog stands at approximately 9 000 housing units. The greatest need for housing would be in terms of the formalisation of informal settlements areas and housing typologies, i.e. housing that is located in informal settlements and densely populated settlements in the Tribal areas. A number of housing projects are currently underway and are producing some 2 500 new housing units in an attempt to address the housing backlog. This, however, still leaves 6 500 new housing units required to fully address the current housing backlog.

Within the urban to peri-urban areas of the uPhongolo Municipality where most of the informal dwelling can be found, the challenge is more complex as communities seek services, economic opportunities and suitable top structure.

As far as Tribal Areas are concerned it is important to note that most tribal communities have particular and generally negative perceptions of densified and generally smaller housing units that are mainly witnessed as urban housing developments. Their main priority is in the provision of services. Therefore, housing development within the Tribal Areas is to be considered against unlocking opportunities of service delivery.

Data and information extracted for the uPhongolo IDP creates a perspective within which current and future housing demand and backlogs can be calculated. Although this is not split into urban and rural categories, there is indication that the primary focus of this demand is in informal settlements and densely populated settlements in the Tribal areas, particularly the areas of Ncotshane, Esingungwini, Mavithi and Belgrade. This creates a sense of the magnitude of the challenge the uPhongolo Municipality faces in housing delivery and the creation of sustainable communities. Based on the this information, and assuming for now that traditional housing is not considered a critical backlog, the current and projected future housing backlogs for the uPhongolo Municipal area are estimated as follows:

Housing Backlog

	2007	2010	2015	2020
No. of Households	17 347	17 974	19 069	20 231
No. of Traditional Houses	8 011	8 011	8 011	8 011
No. of Formal Units	387	2 987	2 987	2 987
Housing Projects	2 600	0	0	0
* Ncotshane	(1100)			
* Esingungwini	(500)			
* Mavithi	(500)			
* Belgrade	(500)			
* Gumbi		(2000)		

	2007	2010	2015	2020
Housing Backlog	6 349	4 976	6 071	7 233

The vision, objectives and strategic interventions of the uPhongolo Municipal Housing Plan must be a response to the housing need in uPhongolo Local Municipality.

It is also important to acknowledge the following factors that may affect Municipal housing delivery:

- Land availability and particularly limited available state land.
- Some of the land in existing settlements is not suitable for housing.
- Farm land under private ownership and expensive.
- Low levels of affordability.
- Influx of people into the urban areas of uPhongolo.
- Impact of HIV/AIDS.
- Availability and reliability of data that highlights exact backlogs based on qualified need i.e. the number of people who need housing and who have applied, in some one way or other, for housing.
- Effective housing need in rural areas has not been quantified.
- Institutional issues.
- Certain tribal by-laws restricting access to housing.
- Poor services in most areas despite the existence of infrastructure. This also affects provision of free basic services and payment of services. Some of the infrastructure is not within current norms and standards.
- Some areas, e.g. farms and informal settlements have no access to services.
- Financial arrangement and access to funding, e.g. access to credit is limited due to land ownership issues and low income levels.

The vision for housing and the creation of sustainable communities must capture the following:

- "Affordable" - considerate of the different income groups
- "Appropriate" - suitable for the different needs e.g. rental, ownership
- "Quality" - spacious, good workmanship, good building materials
- "Sustainable" - localities with access to services, amenities and income sources

Strategic Objective Options and Proposals

- Increase understanding of housing subsidy programme by communities.
- Create sustainable rural communities in the next ten years.
- Eradicate informal settlements in the next ten years.

- Improve provision of services to all communities in the next five years.
- Develop partnerships with mining and tribal authorities.
- Cut the housing backlog by half in the next five years by providing at least 5,000 low cost housing units to by 2015.

The following can be explored in the formulation of uPhongolo's Housing Strategies:

- Building on existing stands.
- Partnerships for land release, finance and housing models.
- Entering into service agreements regarding municipal services provision.
- Promoting people's housing programme.
- Provide municipal infrastructure as part of the package, especially in relation to rural areas.
- Farm areas: Create new localities that can also serve as municipal/government service centers and provide housing for a wider area. This should be based on local travel patterns and can in future turn into commercial centers.
- Purchase suitable land and turn into residential land.
- Informal settlements: Identify suitable locations and promote the locality to accommodate people from various settlements. Provide services as part of the housing package.
- Urban settlements (townships): Low income houses Rental units Develop sites for those who want to build own houses.

Strategic Objectives

The following serve as the strategic objectives to further guide the formulation of the uPhongolo Municipal Housing Plan:

- To reduce the housing backlog by half in the next five years through the provision of approximately 5 000 low cost housing units across the uPhongolo Local Municipality by 2015.
- To build an effective, efficient and caring government in the delivery of housing through embarking on a process to be accredited as well as being capacitated.
- To facilitate, fund, manage the provision of tenure and appropriate quality services and houses.
- To densify housing on well-located land as well as diversification of housing stock for various markets.
- To contribute to National Housing Policy processes and address gaps that hinder sustainable development.
- To mainstream implementation of the Expanded Public Works Programme and labour intensive methods.
- To develop working partnerships with key role-players in the area, focusing on interaction between the mining and tribal authorities.
- To identify all potential land for future housing development, with the aim of encouraging integration and a mix of housing typologies.
- To encourage capacity building, training and information dissemination in relation to housing subsidy programmes
- To create sustainable and viable rural communities.

- To eradicate informal settlements in the area over the next 10 years, in compliance with the national target.
- To improved provision of services to all communities within 5 – 8 years.
- To locate new housing development within a rational urban development boundary to ensure sustainable development.
- To provide integrated, functional residential development that is complemented necessary social and economic amenities.

According to the uPhongolo Municipal Housing Plan calculations the total need for housing within the uPhongolo Municipal area up to the year 2015 is estimated at approximately 19 100 units, with the backlog in housing provision for the same period estimated at 8 100 units. Addressing this housing need requires a tailor-made, focused approach, one that uses one or the combination of the following 3 broad categories of housing delivery:

- The provision of tenure: The provision of tenure basically involves a Township Establishment process, which includes designing the layout, drafting the application and submitting it to Council, an EIA process, and surveying the township.
- The supply of essential services: The supply of essential services is an engineering aspect and involves the design and implementation of engineering services (water, sanitation, electricity and roads).
- The construction of top structures: The third component of housing and tenure delivery is the construction of top structures. The construction of the top structures is done through the provision of Government subsidies and is normally constructed by private construction companies.

The above three-part housing delivery process can either be dealt with as one process or in separate stages. In other words, it is possible to only provide tenure at one stage, without necessarily having to provide services or housing directly after that. This variation of approaches also commonly distinguishes the two main focus areas of housing and tenure delivery. The first is affordable housing and tenure delivery, providing the full range (tenure, services and housing) on green-fields developments. The second is informal settlement upgrading, which basically provides tenure and services for existing informal settlements.

The Municipality has submitted the completed Housing Plan to the Provincial Department of Human settlement and is at present still awaiting comments from the Department before the Plan can be finally adopted.

C 3.3.3. LAND REFORM

- The main components of land reform are that:
- Land reform must contribute to economic development and poverty
- alleviation, particularly in rural areas;
- The substantial increase of black ownership of commercial agriculture must be promoted;
- The importance of an integrated approach to land reform in close collaboration with other departments (particularly the Department of Agriculture and Housing), and the other spheres of government;

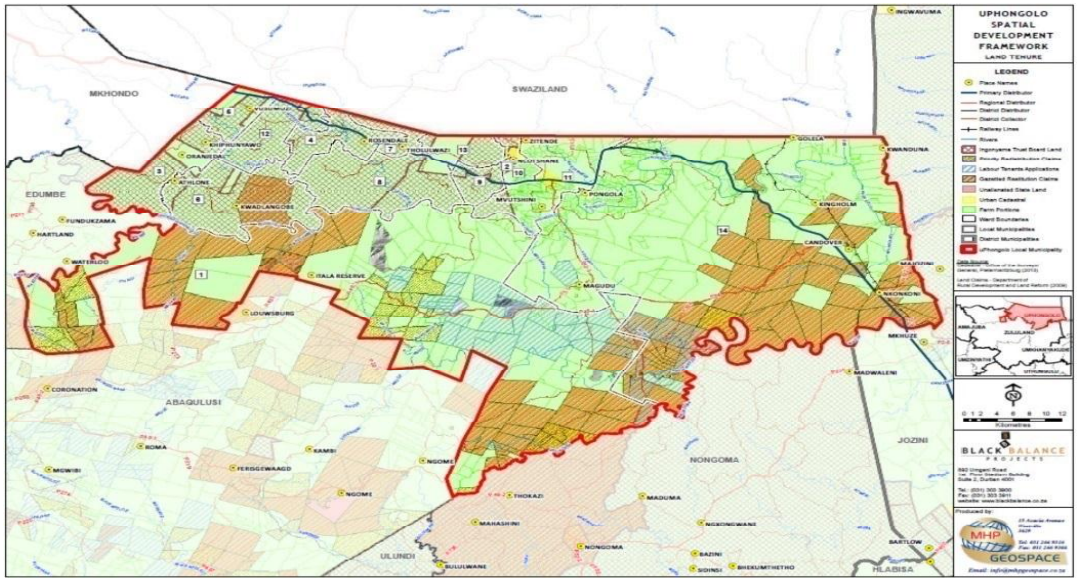
- The Department of Land Affairs must actively work with Provincial Government and District Municipality to build the capacity of the latter to undertake land reform and land development planning;
- The importance of national spatial planning for sustainable development;

In addition to the above the following points can be added which are of specific reference to the uPhongolo Municipal area:

1. A strategy for the distribution of information on of land reform to stakeholders and possible beneficiaries. It is anticipated that existing representative structures such as the Farmers Associations, Chambers of Business and the larger commercial land owners should remain the focus for this exercise from where the information can filter down to grassroots levels; and
2. The primary role-players such as the Department of Land Affairs, the District Municipality, individual local authorities, and the Ingonyama Trust Board should establish a joint Land Reform Forum in order to prepare an integrated strategy, outlining responsibilities, with regard to the implementation of land reform in the sub-region, along similar lines as the Service Providers Forum.

Most of the areas in the western sector of uPhongolo are under the control of Tribal Authorities, therefore land reform becomes complicated. The Land Reform Legislation does not cater for the land extension within the sub-region. Land Reform will contribute to the increased opportunities for commercial farming thus aiding in the economic development of uPhongolo.

Map 11: Land Tenure



5.4

C3.4.ECONOMIC ANALYSIS

C 3.4.1.MAIN ECONOMIC CHARACTERISTICS: LED SECTION

The local economy is largely based on agricultural activities. Raw products are transported to other industrial centers for further processing and this result in the erosion of job creation opportunities for the area.

Construction work is periodic and dependent upon large construction projects that are funded by national and provincial government. The municipality is in an excellent position to reap the benefits of an intensive tourism programme due to natural beauty, existing tourism development initiatives and potential future tourism related development.

The proposed extension of Ithala Nature Reserve and the upgrading and development of facilities at the Pongola Poort Nature Reserve have the potential to greatly enhance the tourism sector in the municipality with the concomitant effect of changing the area to a destination rather than thoroughfare to the destination. Employment opportunities are constantly provided in the public sector. This has a significant economic impact to the small number of employees in this sector. The informal sector is, however expanding, primarily based on the taxi industry, informal financial services and taverns.

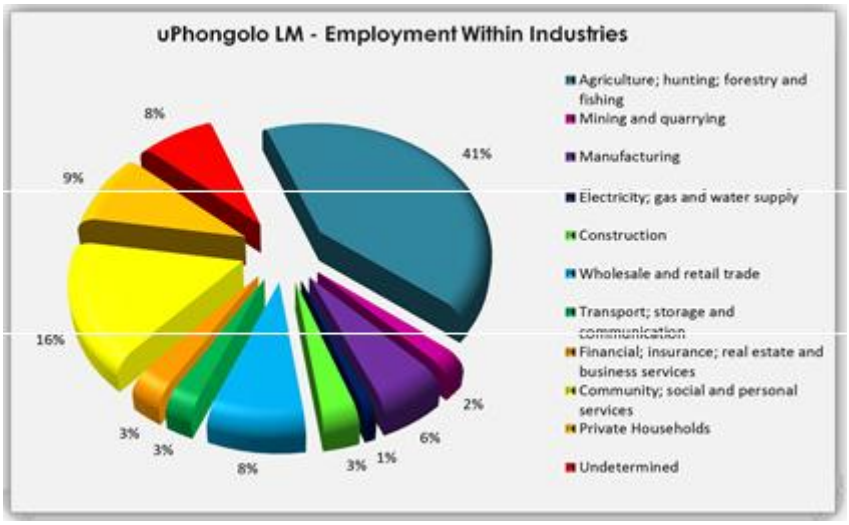
The economically active population in uPhongolo Municipality is estimated at 52.18% of the entire population. Only 26.61% of this population group is employed which means that the unemployment rate is as high as 73.39% for the area.

C 3.4.2. EMPLOYMENT & OCCUPATION

With the view on economic growth and the fight against poverty it is necessary to determine which of the economic sectors employs the largest number of people. This highlights the importance of certain economic sectors.

Due to the rural nature of the municipality, the high unemployment rate and the subsequent high dependency on agriculture sector, it is noticeable that the highest sector of employment is the Agriculture, hunting, forestry and fishing sector.

C 3.4.3. EMPLOYMENT SECTOR



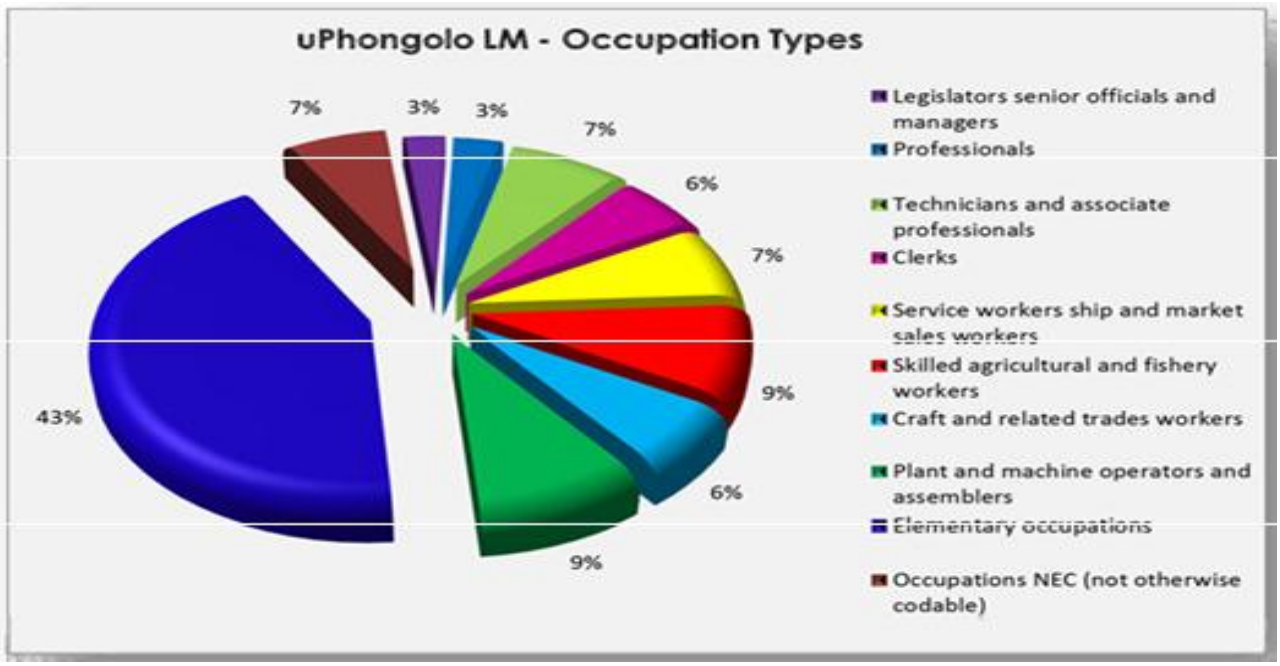
The above table shows that most employed people (41%) are in the agriculture sector which is characterized by long hours of work and low pay. Part of the reason for the dominance of this sector can be attributed to low levels of education for the adult population in the Municipality as indicated, as well as to the labour intensiveness of this sector through which it manages to absorb large quantities of labour.

In support of the employed residents of uPhongolo, is the wholesale and retail trade sector. In similar fashion the Financial, insurance, real estate and business services sector can exist due to employment in the Community Services Sector which exist due to the rural nature of the municipality.

Employment is offered by the professionally employed population to the unskilled population within the "Private Household" Sector, which provides for 9% of the total employment.

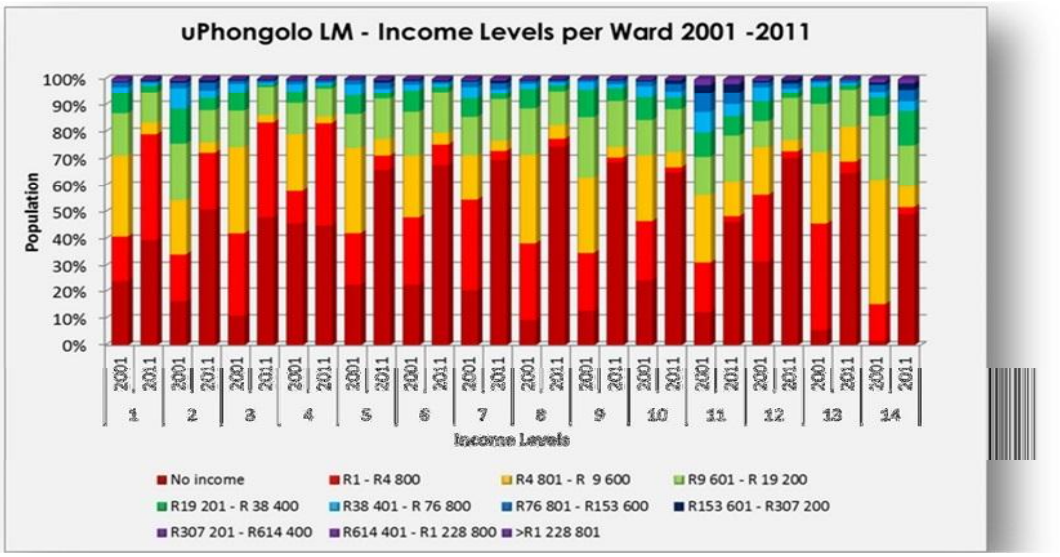
The graph below depicts the occupation types within the above sectors. The largest numbers of people are employed in the elementary occupation sector. Only 3 % of the employed population is staffed in professional posts or as legislators.

The largest economic driver of the municipality is agriculture and the low percentage of employment within this sector depicts the seasonal employment characteristic of agricultural employment. These workers are most likely counted as part of the non-classified occupations (Occupations NEC).



6.4 Income Category

Levels of Income per Ward



Source: Stats SA – Census 2001/2011

The graph above clearly depicts the very low levels of income of the municipality. A total of 42% of the population does not receive any income on a monthly basis, and only 4% of the population earns more than R9, 000/month.

Ward 8, situated west of Pongola has the highest percentage of unemployed population 2011. As with the service provision, the relatively inaccessibility of the area, restricts the establishment of economic opportunities in this area. The reverse is also applicable and due to lack of transport economic opportunities, situated within uPhongolo are also inaccessible to the population travelling from these areas.

C 3.4.3. LED INSTITUTIONAL ARRANGEMENT

C 3.4.3.1. LED STRATEGIC PLAN

The LED Strategic Plan has been established and aligned with the both national and provincial legislations. In line with LED establishment, a study tour was arranged by the Municipality and attended by LED relevant stakeholders to learn on other Municipality's scenarios, case studies and success factors. Hibiscus coast was visited during this exercise.

C 3.4.3.2. LED FORUM

The LED Section established Local Economic Development Forum with proper terms of reference as a guiding tool on its activities and participants which assisted the Municipality to guide the steering committee in the establishment and implementation of the LED Strategy. The LED Forum sit quarterly and is made up of different stakeholders including Government Departments, funding agencies, community based organizations and the local business forum representatives to ensure that they participate in shaping the economy of uPhongolo.

C 3.4.3.3. AGRICULTURE

The agricultural sector employs more people than any other sector in uPhongolo Municipality. It impacts significantly on employment, income generation, economic linkages, land tenure and land reform and environmental considerations in the area. The most predominant activities are sugarcane farming and gaming.

The current agricultural products being exported are sugar cane, vegetables, citrus fruit and game. Value adding for sugar cane is undertaken locally as there a sugar mill in existence. A local maize mill by the local farmers and an agri-park proposed by Rural Development Department will also form a good value chain to benefit SMMEs and Co-ops. Municipality's LED is directly involved in assisting Co-ops and SMMEs to take advantage of these opportunities. There is also potential for production of bio-fuel in the area.

Land rated above moderate in terms of agricultural potential is very limited for the whole municipal area. Agricultural potential for Pongola Valley is high due to the availability of water for irrigation purposes. This is evidently seen by existence of commercial farms producing sugar and vegetables in these areas. Agricultural production outside of these areas are limited to stock and game farming.

The land in the north western part of the municipality falls under Ingonyama Trust and is densely populated by traditional communities that are practicing subsistence farming. A small scale sugar production project was established in 1999 after the construction of Bivane Dam.

C 3.4.3.4.TOURISM

The N2 National road corridor passes through uPhongolo municipal area as a national link between Gauteng, Richards Bay and Durban. It also connects with Swaziland just to the north of the municipal area.

Natural beauty, existence of tourism related development, and future tourism development potential within the municipal area are the main attributes. These attributes are putting the municipal area at an excellent position to reap the benefits of an intensive tourism programme.

Some challenges that hinder tourism development in uPhongolo Municipality were identified during establishment of the LED Strategy include:

- Lack of appropriate facilities;
- Lack of private investment;
- Inadequate road infrastructure;
- Lack of coordinated tourism development efforts; and
- Poor marketing of facilities and destinations.

In light of these challenges the following recommendations were made regarding promotion of tourism in the area:

- Marketing the area as a tourism and investment destination;
- Creating an authentic cultural experience;
- Creating awareness and capacitating previously disadvantaged communities;
- Coordinating efforts of tourism development; and
- Setting standards for accreditation and grading of tour operators.

Interventional measures to ensure realization of the recommendations above were proposed such as under mentioned programmes:

- Development and upgrading of game reserves, dams and nature reserves;
- Establishment and marketing of arts and craft canters;
- Development of tourism information support facilities such as brochure, information offices, signage etc.;
- Hosting of festivals and events;
- Development of Pongola Poort Bio reserve; and
- Upgrade of roads.

C 3.4.3.5 INDUSTRIAL DEVELOPMENT

Manufacturing activity is very low within uPhongolo Municipality. It accounts for approximately 5.9% of the total workforce within uPhongolo Municipality. TSB Sugar Mill is a main agro-processing facility but there are still other opportunities in the region such as traditional medicine, production of venison for export purposes, leather production as well as fruit and vegetable agro-processing.

Mining provides limited employment opportunities. It covers only 2.0% of the total workforce. There is Klipwal Gold Mine that operates at a small scale.

C 3.4.3.6. TRADE & COMMERCE

Wholesale and retail trade is defined as resale of new and used untransformed goods to the general public sector accounts for approximately 8.9%.

The commercial sector is well established in uPhongolo CBD but there is no easy access for the majority of the rural population. There is a proposal for the construction of a regional shopping center that will accommodate national anchor tenants. A number of other commercial markets still exist, but there is lack of business support services which results into limited entry to the market by emerging entrepreneurs.

Further opportunities in this regard include:

- Developing the commercial sector in the Rural Services Centre and utilize the supporting infrastructure of these Rural Services Centre such as taxi ranks to tap into the market that they service.
- Commercial enterprises focused on tourism market through sale of locally produced goods, restaurant industry.

C 3.4.3.7. TRANSPORTATION SECTOR

Transportation sector in uPhongolo municipal area can be categorized into various sub sectors such as road freight transport, public road transport, air transport and rail freight transport. Transport of goods from distributors and wholesalers to a range of rural retailers is gaining momentum as informal sector initiative.

Some opportunities exist within the sector including the following:

Rural road maintenance and upgrading of rural roads which will continue to establish better linkages between settlements, rural nodes and municipal centers, thus increasing access to economic opportunities whilst increasing job opportunities.

The proposed petrol filling station and information center at Belgrade next to the N2 will be an important development for the area. It will provide Belgrade with a higher order and lead to other economic spin-offs in the area. It will also provide an opportunity for informing people passing through the area of the attractions which the area has to offer.

The need to establish a Truck-Stop next to the N2 has been identified by the municipality where applications for funding were done to the relevant departments.

The main commuter transportation mode is taxi services operated by uPhongolo Taxi Association. There are three informal taxi ranks in the area and two formal ranks for local and long distances. There are only three main taxi routes two of which run along N2 National Road between Pongola town and Belgrade settlement.

The third route commutes passengers between Pongola town and Ncotshane Township.

C 3.4.3.8. CONSTRUCTION SECTOR

The sector shows limited growth in terms of private investment. Most construction projects are government funded and concentrate on the development of infrastructure, roads, social facilities and RDP standard housing.

C 3.4.3.9. DIAGNOSTIC ASSESMENT OF ECONOMIC SECTORS

Analysis of economic sectors will cover comparative and competitive advantages within each of them. The former will be based on location quotient whilst the latter will be evaluated using Porter's Model.

C 3.4.3.10.COMMERCIAL SECTOR OF UPHONGOLO

Pongola town represents the only major concentration of business in uPhongolo Municipality. A wide range of services is offered to local and surrounding rural population but a substantial number of businesses offer agricultural products and services.

C 3.4.3.11. SUPPORT FOR SMME ESTABLISHMENT

Government policies support Small, Medium and Micro Enterprises in all sectors of the economy. The support provided includes business development and funding support through various programmes.

Guidelines for Informal Sector Development

UPhongolo Municipality is working on guidelines for supporting and developing the informal sector. This sector contributes significantly to the local economy thus there is a need to establish appropriate guidelines.

i. lack of Appropriate Planning Framework

Planning framework for commercial sector development in rural service centers have to be established by uPhongolo Municipality.

C 3.4.3.12. MANUFACTURING SECTOR IN UPHONGOLO

a. Factor Conditions

Availability of Land for Industrial Development

Land availability to undertake economic activities within the sector is not a major challenge.

i. Cost of Services

uPhongolo Municipality has to formulate an incentive package to potential investors since the cost of service for local municipalities within Zululand District are at same levels.

ii. Limited Comparative Advantage

Comparative advantage for manufacturing sector in uPhongolo Municipality is limited as indicated above.

iii. Availability of Raw Material

The local economy is dominated by primary sectors, which implies that there is availability of raw material to a certain extent. This poses a challenge in terms of diversification since raw material that is available within the municipal area is limited to specific products. In most instances raw material is transported to other centers outside the municipality. Venison processing is the only activity of note.

iv. Unskilled Workforce

Manufacturing only accounts for about 6% of the total workforce for all sectors combined. This is an indication that there are limited skilled people in relation to manufacturing expertise.

v. Location

The locality of uPhongolo Municipality is remote from major provincial centers that have high market concentration. Transportation costs for produced goods will negatively impact on profitability thus discouraging potential investors.

b. Demand Factors

Local Market for Manufactured Goods

There is a demand for basic manufactured products such as clothing and textile, footwear, furniture, food, beverages and building material. Local manufactures will have competitive edge in comparison to external producers since they will incur minimal expenditure on transportation expenses. Quality control has to be taken into consideration since this might be a determining factor for demand of goods.

d. Related and Supporting Services

i. Lack of Business Support

As mentioned above, business support institutions are lacking in the municipal area especially the nonfinancial support such as business development and support. These services are mainly accessible in Vryheid.

ii. Access to Finance

Local people do not generally understand a range of programmes available to support manufacturing initiatives although various funding sources for establishment of businesses within this sector.

iii. Lack of Supporting Industries

Manufacturing activities are undertaken at a small-scale hence the unavailability of conglomerate economic linkages. Production of goods at this magnitude tends to be uncoordinated and sparsely scattered.

uPhongolo municipality is implementing different projects in different sectors which will be tabled later in this document.

Below are some of the projects identified by this forum to create jobs and stimulate economic growth:

1. Candover tourism hub
2. Hydrophonics greenhouses project
3. Leather tannery project
4. Revitalisation of neighborhood centres
5. Town rehabilitation and beautification (internal roads, solar street lights, paving, street vendors shelters and sidewalks)
6. Block making and industrial sewing projects designed for co-operatives
7. Commercial agriculture including maize massification etc.

This municipality has made applications to different departments to access development potential around high impact areas and project for economic development like; ethanol production, pongolapoort dam housing/flats, cotton mill etc.

The attached LED Strategy gives the full lists of projects budgeted and those that needs funding to boost the local economy.

C 3.4.3.13. APPLICATIONS FOR PROJECTS FUNDING

UPhongolo Municipality has also identified projects for funding application to different institutions including corridor development programme by the Department of COGTA.

The following projects business plans were prepared and submitted to COGTA LED:

The department of cooperative governance and traditional affairs funded the following projects:

- Upgrading of flea market phase 1 - R3 600 000
- Sub Taxi rank facilities – R6000 000
- Solar street lights in the CBD – R3000 000
- Flea Market infrastructure phase 2 – R2 700 000
- Imbube Cultural Village – R8000 000

Budget for feasibility studies, PDAs, EIAs and designs remain a challenge to our Municipalities making it difficult to attract investors, Departments and Funding agencies. Different stakeholders have been engaged to assist in this matter where the LED Agency can also be a solution in this situation.

C 3.4.3.14. UNLEASHING THE AGRICULTURAL POTENTIAL

There is a joint collaboration between KZN Department of Agriculture, Department of Rural Development and the Municipality with the objective of improving the livelihoods of poor households by creating sustainable agriculture implementation where direct involvement in terms of capacity building for co-ops to produce in large quantities and meet market specification.

The Department of Rural development has appointed ARC to conduct the feasibility study on fruit and vegetables processing hub/ agri-park. uPhongolo is one of the Municipality found suitable for this tripartite partnership will then add a good value chain - where growers can play meaningful role to this processing hub also aligning with the maize mill owned by the Pongola Business forum. The challenge in the most community garden projects remains with water sources and infrastructure, garden fence, tools & irrigation system.

Municipality is playing a catalytic role in linking co-ops with markets and showcasing their products and services in the form of SMME Fairs and exhibitions.

C 3.4.3.15. CAPACITY BUILDING AND COMMUNITY PARTICIPATION

The LED office conducts trainings and workshops to the co-ops and SMMES including meetings with the Business Chamber/ forum to ensure that every stakeholder participate meaningfully in driving the economy.

UPhongolo Municipality also plays a critical role in linking the community organizations and the relevant sister departments responsible for either capacity building or funding of the related sector e.g. DTI, NEF, IDC etc.

C 3.3.3.16 BUSINESS ADVISE & PROBLEM SOLVING

The LED office has handled different entrepreneurial questions and challenges which has led to formalization of the informal sector, SARS Compliance, business planning, Database, CIPC registration and related matters.

C 3.5. ENVIRONMENTAL ANALYSIS

C 3.5.1 ENVIRONMENTAL PRINCIPLES

The guiding principle for development in the ZDM is that it should be conducted in a sustainable manner. It is important to consider what the concept of sustainable development means for the ZDM and how this concept should be taken forward. The definition of sustainable development which has become the best known and most widely used is that of the Bruntland Report which defines sustainable development as:

'Development which meets the needs of the present without compromising the ability of future generations to meet their own needs' (World Commission on Environment and Development, 1987).

Hence, the following principles apply:

- Development must not degrade biophysical, built, social, economic resources or the system of governance on which it is based;
- Current actions should not cause irreversible damage to natural and other resources, as this may preclude future development options;
- In cases where there is uncertainty of the impacts of an activity on the environment, caution should be exercised in favour of the environment;
- The cost of pollution should be paid by the party causing the pollution;
- The needs of land use, environment and economic planning need to be integrated;
- A development framework and paradigm which promotes resource generation rather than resource degradation must be created;
- Immediate and long term actions need to be identified and planned for, to address urgent needs while still progressing towards longer term sustainable solutions;
- Resources must be utilized more effectively through each sector applying its resources to support other sectors rather than acting in an uncoordinated or competitive manner.

C 3.5.2. ENVIRONMENTAL ANALYSIS

The uPhongolo municipal area is well endowed with natural water resources, making it ironic that the most urgent human developmental need is the provision of potable water. The area has the following notable natural water sources:

- the Pongola River,
- the Mkhuze Rivers

These rivers are fed by many smaller rivers, streams and springs and it is from these that the rural communities obtain their water in a purified or unpurified form. There are two main catchments in the area namely:

- the Pongola,
- the Mkhuze.

There are also two large dams in the municipal area that can be utilised for both water provision and tourism namely:

- Pongola Poort dam
- Bivane Dam.

A number of efforts have been made to identify and conserve the areas of environmental value and sensitivity. The most important of these are indicated in the following table:

Conservation Areas

Name	Location	Extent (ha)
Ithala Game Reserve	North of Louwsburg	26 382
Pongola Poort Biosphere Reserve	Pongola Poort Dam	36 000
Somkhanda Private Game Reserve	Candover	17 000

As part of conservation and preservation of the natural environment, the District has identified environmental linkages throughout the whole District. These linkages relate mainly to the river systems. Efforts have been made to join conservation areas within Zululand with those in adjoining areas. The greatest opportunity involves the Bivane dam, Ithala Game Reserve and the Pongolapoort Biosphere Reserve.

C 3.5.3. UPHONGOLO BACKLOGS

The following table is an extract of the ZDM's WSDP and indicates the water and sanitation backlogs in the area.

Water and Sanitation Backlogs

WATER	TOTAL HOUSEHOLDS	BACKLOGS	% BACKLOGS	% OF TOTAL BACKLOGS
AbaQulusi LM	36,069	8,847	24.53%	17.49%
eDumbe LM	15,011	3,712	24.73%	7.34%
Nongoma LM	34,056	21,398	62.83%	42.30%
Ulundi LM	35,309	12,295	34.82%	24.30%
uPhongolo LM	22,098	4,339	19.64%	8.58%
Total	**142,543**	**50,591**	**35.49%**	**100.00%**
SANITATION	**TOTAL HOUSEHOLDS**	**BACKLOGS**	**% BACKLOGS**	**% OF TOTAL BACKLOGS**
AbaQulusi LM	36,069	6,714	18.61%	12.76%
eDumbe LM	15,011	765	5.10%	1.45%
Nongoma LM	34,056	21,808	64.04%	41.43%
Ulundi LM	35,309	17,395	49.27%	33.05%
uPhongolo LM	22,098	5,953	26.94%	11.31%
Total	**142,543**	**52,635**	**36.93%**	**100.00%**

Water	None or Inadequate	Rudimentary <RDP	Communal standpipes RDP	Yard connections >RDP	TOTALS
AbaQulusi LM	0	0	0	20,350	20,350
eDumbe LM	0	0	0	6,162	6,162
Nongoma LM	0	0	0	957	957
Ulundi LM	0	0	0	6,080	6,080
uPhongolo LM	0	0	0	4,135	4,135
Total (urban)	**0**	**0**	**0**	**38,584**	**38,584**
AbaQulusi LM	5,647	3,200	264	6,608	15,719
eDumbe LM	2,521	1191	1104	4,033	8,849
Nongoma LM	11,792	9,606	9,107	2,594	33,099
Ulundi LM	5,487	6,808	7,810	8,224	28,329
uPhongolo LM	3,123	1216	1247	12,377	17,963
Total (rural)	**28,570**	**22,021**	**19,532**	**33,836**	**103,959**
Total (households)	**28,570**	**22,021**	**19,532**	**72,420**	**142,543**

D.DEVELOPMENTSTRATEGIES

D 1.OVERVIEW

The Strategic guidelines and benchmarks of the municipality, for the period of this IDP and beyond, were reviewed at a Council Workshop.

D 2. KEY PERFORMANCE AREAS

KPA 1: Municipal Transformation and Organisational Development

KPA 2: Basic Service Delivery

KPA 3: Local Economic Development

KPA 4: Municipal Financial Viability and Management

KPA 5: Good Governance and Public Participation

KPA 6: Cross Cutting Issues

NATIONAL KPA: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT						
PGDS GOAL 2.7: Support skills alignment to economic growth; 2.8promote enhance youth skills development.						
Outcome 9 outputs: Implement a differential approach to Municipal financing planning and support						
INDEX	**KEY CHALLENGES**	**MUNICIPAL DEVELOPMENTAL GOAL**	**SDBP Ref.**	**MUNICIPAL OBJECTIVE**	**Ref No.**	**MUNICIPAL STRATEGIES**
A			A1	Create a balance between employee productivity, welfare and capacity building	A1.1	Develop and Implement a Work Skills Plan
					A1.2	Approve accredited and only minimum requirements based training

					A1.3	Improve the number of officials meeting the minimum competency levels.
					A1.4	Monitor all incumbents to ensure that they comply with their current position's minimum requirements
	Municipal Transformation and Organization Development (address the lack of capacity amongst employees)	To increase employee capacity by a minimum of 10% each year.			A1.5	Conduct a skills audit and implement necessary training to fill the gaps
			A2	Promote quality service delivery through inclusive Performance Management System	A2.1	Cascade PMS to one lower level each year
			A3	To provide an effective and efficient IT and Communication service to all Municipal units	A3.1	Safely provide access to email and internet to improve efficiency in operations.
	Past injustices	Employment Equity (to be aligned with local municipality demographics)	A4	To promptly employ a highly effective workforce representative of the Municipalities demographic profile.	A4.1	Apply previously disadvantaged people concepts to address the demographic gaps and past injustices
	Overtime	Balance of workload and reduction of overtime			A4.2	Develop and Implement succession planning on all critical & scarce skills posts
	Employee records	Authentic well documented employee records			A4.3	Implement retention measures to all critical posts to reduce loss of skills.
					A4.4	All critical posts to be filled within 3months

			A5	To develop and implement a credible third generation IDP.	A5.1	Co-ordinate the municipal planning with all stakeholders.

NATIONAL KPA: BASIC SERVICES DELIVERY						
PGDS GOAL 4 .17: Development of roads…						
Outcome 9 outputs: Improve access to basic services						
INDEX	**KEY CHALLENGES**	**MUNICIPAL DEVELOPMENTAL GOAL**	**SDBP Ref.**	**MUNICIPAL STRATEGIC OBJECTIVE**		**MUNICIPAL STRATEGIES**
B	**Electricity:**					
	Basic Service Delivery (address backlog in basic services)	To ensure that every household has access to basic services by 2030	B1	Ensure provision of Electricity/alternative energy in a sustainable manner	B1.1	To provide an efficient and cost effective electricity distribution or alternative energy to all mandated areas in Phongolo. (Backlog @ 9236 households 37%).
					B1.2	Upgrading of old and dilapidated electricity infrastructure with an emphasis on solar energy whenever possible (public lighting amenities)
					B1.3	Develop a rapid response team in-house to diagnose and solve electrical faults and prevent loss thereof
					B1.4	Replace old and malfunctioning meters
	Roads and storm water:					
	Floods and inaccessibility	To ensure that Pongola is kept clean habitable, safe and healthy Managed floodplains	B2	To make all communities in uPhongolo accessible through the provision and maintenance of Access roads and storm water drains	B2.1	Implement access roads and storm water drains development and maintenance as per master plan
					B2.2	Clear all verge in storm water drains in CBD and township through EPWP
	Potholes and dilapidating road works	Accessible and well maintained road infrastructure			B2.3	Implement ad hoc maintenance for both gravel and tarred surfaces in rural, urban and township as per maintenance plan

					B2.4	Resurface tarred roads in CBD as per master plan
					B2.5	Review road construction and maintenance master plan annually
					B2.6	Construct and maintain sidewalks in and around Pongola town
	Waste management:					
	Unhealthy environment water and air pollution, illegal dump sites	To move Pongola towards a green environment	B3	To control waste management including water contamination	B3.1	Eradicate outside house dumping in town and townships through provision of centralized mobile containers
					B3.2	Effectively monitor and eradicate illegal dumping, air pollution and water contamination through strict policing and heavy fines
					B3.3	Ensure that all refuse is timeously removed from source to waste management centre
					B3.4	Develop & implement local waste plan
					B3.5	Employ national standards in Refuse collection
					B3.6	Ensure users pay for refuse collection in Belgrade, Ncotshane and Golela
	Housing:					
	Large number of people without habitable shelter	Habitable housing for all by 2030	B4	To provide safe, adequate and habitable housing that is closer to amenities	B4.1	Acquire land that is currently owned by farms surrounding the CBD for development

					B4.2	Expedite housing project implementation through improved intergovernmental relations with the Department of Human Settlements
					B4.3	Provide regular inspections to the houses under construction
	COMMUNAL & PUBLIC FACILITIES					
			B5	Ensure the optimal use, maintenance and equitable development of communal and Public Facilities	B5.1	Host tournaments to promote sport in partnership with private sector
					B5.2	Equitably provide sporting facilities and community halls on the one ward one hall; one ward one sporting field principles
					B5.3	Promote the use of libraries and Halls for the benefit of the community
					B5.5	Maintain libraries, parks and gardens on a continues basis
					B5.6	Provide Proper Cemetery & Crematorium services in professional manner

NATIONAL KPA: LOCAL ECONOMIC DEVELOPMENT						
PGDS GOAL 1: 1.1 Unleashing Agricultural Potential; 1.4 Promoting SMMEs, Entrepreneurs and youth development						
Outcome 9 outputs: Implementing of community works programs and supported co-operatives						
INDEX	**KEY CHALLENGES**	**MUNICIPAL DEVELOPMENTAL GOAL**	**SDBP Ref.**	**MUNICIPAL OBJECTIVE**		**MUNICIPAL STRATEGIES**
	Development of SMMEs:					
	Lagging Local Economic Development	A more equitable society, a more inclusive economy based on food security, self-sustenance and grounded on our comparative advantages	C1	Create a conducive environment for investing and SMME growth in Phongola	**C 1.1**	Investigate hydro-electricity generation for commercial purposes
					C 1.2	Create marketing linkages via the Dube trade port, and Richards Bay port in Line with the new proposed railway and expanded N2 passing through Pongola to Richards Bay
		Develop Town sites for residential and industrial expansion			**C 1.3**	Develop skills (agricultural, bricklaying, plumbing, electrical and mining) of locals to sustain anticipated developments within Pongola
			C2	**Tourism:**		
				Increase the number of visitors to uPhongolo through integrated and targeted marketing	**C2.1**	Develop and revive tourism hubs and zones within uPhongolo
					C2.2	Tourism promotion and facilitation
			C3	**Poverty alleviation:**		
				Creation of temporary and permanent sustainable jobs	**C 3.1**	Create employment opportunities through labour intensive schemes
					C 3.2	Formalization and training of cooperatives
			C4	**Agriculture:**		

				Increase agricultural productivity	C 4.1	Drive Pongola tribal lands towards being South Africa's food basket using cooperatives and subsistence farming
					C 4.2	Develop and sustain agro-processing and sugarcane and vegetable production capabilities (SA next food security base through sustained investments in short crops, citrus farming)
NATIONAL KPA: FINANCIAL VAIBILITY AND MANAGEMENT						
PGDS GOAL 6.25 Strengthen policy and strategy co-ordination and IGR						
Outcome 9 outputs: Improve Municipal Financial and administrative capacity						
INDEX	**KEY CHALLENGES**	**MUNICIPAL DEVELOPMENTAL GOAL**	**SDBP Ref.**	**MUNICIPAL OBJECTIVE**		**MUNICIPAL STRATEGIES**
D	Threats to Financial Viability and Management	Ensure the Municipality remains financially viable	D1	To apply good financial management in dealings with municipal finances	D1.1	Develop and implement measures to expand revenue base and generation.
					D1.2	To control and account for all Municipal expenditure
		To enhance revenue through the selling of basic service to new areas like Ncotshane and Belgrade			D1.3	Develop and implement measures to reduce the level of debt owed to the municipality
		Comply with all legislative requirements			D1.4	Improve cash and debtors management
		Align operational budget with IDP priorities			D1.5	Zero tolerance to non-compliance on third party payments
		Support indigent community to access basic services	D2	To enforce a fair and legislatively compliance SCM policy	D2.1	Enhance contract management
					D2.2	Apply fairness, equitability, competitiveness, transparency & cost effectiveness principles in obtaining goods and services.

			D3	To budget and report on all Municipal financial transactions according to legislation	D3,1	Ensure that budget is informed by the IDP
					D3,2	Ensure that all departmental units targets from the IDP are suitably financed
					D3,3	Synergize budgeting with strategy and community priorities
					D3,4	Timeously report on financial matters as legislated/regulated.
			D4	To ensure that assets are properly safeguarded, maintained and accounted for in the Municipal records	D4.1	To account for all assets owned by the municipality
					D4.2	Facilitate the transfer of all (property) assets not controlled by the Municipality to the rightful owners to enable property rates levying
					D4.3	All properties owned and rented out to yield a market related return
					D4.4	Establish own fleet with effective tracking system
					D4.5	To conduct annual Impairment test and effect disposal of redundant assets.

NATIONAL KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION						
GOAL 6.28: Promote participative, facilitative and accountable governance						
Outcome 9 outputs						
INDEX	**KEY CHALLENGES**	**MUNICIPAL DEVELOPMENTAL GOAL**	**SDBP Ref.**	**MUNICIPAL OBJECTIVE**		**MUNICIPAL STRATEGIES**
	Good governance and Public participation	A people centered democracy that is transparent and responsive to the needs of its people	E1	Promote good governance, accountability and transparency	E 1.1	Promotion of effective, timeous, and efficient communication with both internal and external stakeholders
					E 1.2	Monitor and improve internal Control & risk management processes
					E 1.3	Regular review of policies, procedures and bylaws in compliance with local government legislation and regulations
			E2	Placing the primary focus on addressing the needs of communities within the municipality	E 2.1	Strengthening of oversight structures of council to ensure full functionality
					E 2.2	Ward committees supported and capacitated to ensure functionality
					E 2.3	Languages taken into account in public meetings and general municipal communication
					E 2.4	Establish and monitor a Complains Desk
					E 2.5	Surveys on basic services (satisfaction)
					E 2.6	Inculcation of the customer is KING concept amongst employees

			E3	Report regularly on the dealings of the Municipality	E 3.1	Publish and distribute quarterly newsletters & Annual Reports to inform communities on progress and essential information
					E 3.2	Undertake road shows (izimbizos) to learn of people's needs
					E 3.3	Encourage participation of traditional leaders
					E 3.4	Provide regular radio and newspaper reports on matter of public interest
					E 3.5	Use the websites as a reporting platform
NATIONAL KPA: CROSS CUTTING ISSUES						
PGDS GOAL 7.30: Facilitate Integrated Land Management and Spatial Planning						
Outcome 9 outputs: Single windows of co-ordination						
INDEX	**KEY CHALLENGES**	**MUNICIPAL DEVELOPMENTAL GOAL**	**SDBP Ref.**	**MUNICIPAL OBJECTIVE**		**MUNICIPAL STRATEGIES**
F	Cross Cutting Issues	To increase environmental and community safety.	F1	Promote the Environment Conservation and management to ensure that adverse environmental impacts is prevented and mitigate	F1.1	To develop and implement an environmental management plan that addresses climate change amongst other things .
					F1.2	To do due diligence on environmental impact for planned projects and programmes.
					F1.3	To conduct environmental awareness campaigns to communities.

					F1.4	Develop and implement plan to remove environmentally unfriendly substances e.g. alien weed, used oil…
					F1.5	Review and enforce Environmental By-laws.
			F2	Mitigate the HIV epidemic and promote positive living in Pongola	F2.1	Align municipal HIV programmes to other sector department programmes
					F2.2	Participate in Sukhuma sakhe programs
					F2.3	To develop and implement programmes that target high risk groups
			F3	Provide disaster management and emergency services	F3.1	To develop and implement a disaster management plan and fire services Plan
					F3.2	Seek Funding from other Stakeholders for the establishment of a disaster and fire brigade unit within uPhongolo municipality
					F3.3	Develop Contingency plan for the Municipality-long term and short term (life span)
					F3.4	Develop fire brakes system for farmers and enforce fire belt implementation
					F3.5	Institute fire training awareness and volunteers to stop fires within communities
					F3.6	Establish an adhoc Call Centre
					F3.7	Conduct a fire and high risk lightning assessment and provide prevention measures

			F4	Ensure the needs of Special groups are addressed	F4.1	Develop and implement projects targeting the special groups
					F4.2	Capacitation of communities for better response to industrialization
			F5	Reduce crime rate within Pongola	F5.1	Promote neighbourhood watch group schemes
					F5.2	Reduce crime by environmental design
			F6	Implement SPLUMA principles	F6.1	Promotion of integrated and coordinated spatial development within the municipality
					F6.2	Review and implement the SDF through Public participation models
					F6.3	Prepare a wall to wall planning scheme for the whole municipal area
					F6.4	Ensure an effective GIS System
	High number of accidents, destruction of infrastructure by heavy duty trucks	Safer, effective and efficient transport system for all	F7	Uphold the rule of law and safety on pongola roads	F7.1	Monitor and fix road markings and signs(incl minimum tonnage in CBD) to promote safer roads
					F7.2	Monitor and assess driver fitness and Vehicle roadworthiness through Road blocks
					F7.3	Efficient vehicles and driver licensing services

E. IMPLEMENTATION PLAN

E 1 STRATEGIC MAPPING

E1.1 Environmentally Sensitive Areas

Mkhuze river, Pongolapoort dam, Bivane dam, town dumping areas next to the Church.

E 1.2 Desired spatial outcomes

Formalization of Golela, Belgrade

E 1.3 Desired spatial form and land use

Farms owned by municipality should be repossessed and used for medium income houses to close the gap between Ncotshane and Town.

E 1.4 Spatial reconstruction of the Municipality

Godlwayo is identified as a Secondary node within the uPhongolo Local Municipality. It is situated on either side of the N2 National Route. It serves a fairly large community, and is centred on three educational facilities and three small general dealers. Currently a Thusong centre has been developed on the southern side of the N2, in isolation from the Commercial and Educational facilities situated north of the N2. There is also an old granite quarry that seems to have closed down operations some time ago. This node is situated 25km west of Pongola (Primary node), and 16 km east of Belgrade (Secondary node). An urban edge for the node of Godlwayo has been identified. Densification of residential development should occur within this boundary.Allocation of land for industrial purposes, business complexes and new high income houses development around the Pongolapoort dam.

E 1.5 Strategic guidance in respect of the location and nature of the development within the Municipality

- Promote land development that is within the fiscal, institutional and administrative means of the country;
- Ensure protection of the prime and unique agricultural land, the environment and other protected lands and the safe utilisation of land
- Promote and stimulate the effective and equitable functioning of land markets;
- Consider all the current and future costs to all parties for the provision of infrastructure and social services in land developments;

  Promote land development in locations that are sustainable and limit urban sprawl; Result in communities that are viable
- Land development optimises the use of existing resources and infrastructure;
- Decision-making procedures are designed with a view to minimising negative financial, social, economic or environmental impacts; and

  Development application procedures are efficient and streamlined and time frames are adhered to by all parties

Flexibility in spatial plans, policies and land use management systems is accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks

- All spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- No government department may withhold their sector input or fail to comply with any other prescribed requirement during the preparation or amendment of Spatial Development Frameworks;
- The requirements of any law relating to land development and land use are met timeously;
- The preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, to include transparent processes of citizen participation and all parties to have the opportunity to provide inputs on matters affecting them; and
- Policies, legislation and procedures must be clearly set out and inform and empower citizens.

Source: Spatial Planning and Land Use Management Bill (2011)

E 1.6 Spatial alignment with neighbouring Municipalities

E1.7 Futuristic private and public land development and infrastructure investment

Belgrade shopping mall, service station, truck stop required.

E1.8 Areas where strategic intervention is required

Belgrade and Golela

E1.9 Areas where priority spending is required

Golela, Ncotshane, Klipwaal and Candover

E2. IMPLEMENTATION PLAN

E2.1. INSTITUTIONAL TRANSFORMATION & ORGANISATION DEVELOPMENT

5 YEAR IMPLEMENTATION PLAN FROM 2012/13 TO 2016/17

Challenges	Org. Ref	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	Development Goal	IDP Ref#	STRATEGIC OBJECTIVE	Ref.	STRATEGIES	Action Plan	INDICATORS	Unit of Measure	Vote #/ Funding Source	TARGETS 2012/13	2013/14	2014/15	2015/16	2016/17	5 YEAR TARGET	Responsible Department
-Municipal Transformation and Organization Development:address the lack of capacity amongst employees) ; - Past injustices	-	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	To increase employee capacity by a minimum of 10% each year.	A1	Create a balance between employee productivity, welfare and capacity building	A1.1	**Develop and implement a Work Skills Plan**	Training and development of staff	Number of staff who attended training against Skills development plan	Number	8454		40	167	180	190	577	Corporate Services
	Org 2						A1.4	**Monitor all incumbents to ensure that they comply with their current position's minimum requirements**	Implement the Employee wellness Program	Number of Employee wellness programmes/events held in a year	Number	8415	0	0	2	3	3	8	Corporate Services
	-				A2	Promote quality service delivery through inclusive Performance Management System	A2.1	**Cascade PMS to one lower level each year**	Overall organisation performance monitored and recorded.	Number of Organisation performance report prepared in a year	Number		4	4	4	4	4	20	MM - OPMS
	Org 5								Performance audit committee meeting quarterly.	Number of Performance committee meetings	Number	8402	4	4	4	4	4	20	MM - OPMS
	Org 6								Enter into Performance Contracts and agreements/ monitor job performance per job description	Number of organogram levels performance monitored	Number		Level 1 & 2	Level 1 & 2	Level 1, 2 & 3 (mid-management)	Level 1, 2 & 3 (mid-management)	Level 1-4 (supervision)	Level 1-4 (supervison)	MM - OPMS
	Org 8				A3	To provide an effective and efficient IT and Communication service to	A3.1	**Safely provide access to email and internet to improve efficiency in operations.**	ICT Steering committee.	Number of ICT steering committee meetings held	Number	2010/8321	0	1	4	4	4	13	Corporate Services
	Org 10				A4	To promptly employ a highly effective workforce which is a representative of the Municipalities demographic profile	A4.1	**Apply previously disadvantaged people concepts to address the demographic gaps and past injustices**	Employment equity plan adopted and implemention	No. of women appointed in S 54/56 posts	Number	Internal	1	1	1	1	1	1	Corporate Services
	Org 12						A4.4	**All critical posts to be filled within 3 months**	Organogram reviewed and adopted by councils	Review organogram yearly	Date	8420	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	Corporate Services
	Org 13								Selection and appointment done timeously	Average turn-around time to finalise the appointment (Advertisement to Appointment)	Number in days	Internal & Grants	Less than 90 days	Less than 90 days	Less than 90 days	Less than 90 days	Less than 90 days	Less than 90 days	Corporate Services
	Org 14				A5	To develop and implement a credible third generation IDP	A5.1	**Co-ordinate the municipal planning with all stakeholders.**	Development and implementation of the IDP process plan.	IDP process plan followed according to set time frames	%	8427			100%				MM - IDP
	Org 15								Revision of a Credible Integrated Development Plan	Improvement in the percentage scored in IDP credibility ranking	%		60%	60%	70%	70%	75%	75%	MM - IDP
	Org 16								Organisation strategic planning sessions held to revise IDP inputs, policies and organisation goals.	Number of Strategic Planning sessions held (from Dept to Org level)	Number		1	1	6	6	6	6	MM - IDP

E2.2. BASIC SERVICE DELIVERY

- Backlog in basic services; - Floods and inaccessibility ; - Potholes and dilapidating road works; - Unhealthy environment water and air pollution, illegal dump sites; - Large number of people without habitable shelter	Org 17	IMPROVED ACCESS TO BASIC SERVICES	BASIC SERVICE DELIVERY & INFRASTRUCTURE	To ensure that every household has access to basic services by 2030; To ensure that Pongola is kept clean habitable, safe and healthy; Accessible and well maintained road infrastructure	B1	Ensure provision of Electricity/alternative energy in a sustainable manner	B1.1	To provide an efficient and cost effective electricity distribution or alternative energy to all mandated areas in Phongolo.	Number (and percentage) of new consumer units with access to electricity	Number of households with access to electricity/ Alternative energy	Number	DOE	16 700	17 500	20 000	23 000	26 000	26 000	Technical Services
	-								Establish the Electricity unit	Number of Electricity units staff	Number	Internal	-	-	1	3	4	4	Technical Services
	Org 36				B2	To make all communities in uPhongolo accessible through the provision and maintenance of Access roads and storm water drains	B2.1	Implement access roads and storm water drains development and maintenance as per master plan	Improve accessibility in rural areas	Number (in Kilometres) of new gravel access roads constructed	km	MIG	10	16	9	10	8	53	Technical Services
	Org 37								upgrade roads to black top	Number (in Kilometres) of municipal roads (Gravel) upgraded to black top	km	MIG	2	3.1	3.1	2	3.5	14	Technical Services
	Org 39						B2.3	Implement ad hoc maintenance for both gravel and tarred surfaces in rural, urban and township as per maintenance plan	Tarred roads maintained as per maintenance plan.	Km of tarred roads maintained	km		33	43	32.6	35	37	180.6	Technical Services
	Org 40								All municipal gravel roads maintained as per plan.	Number (in Kilometres) of gravel road bladed	km		900	960	1008	1017	1026	4911	Technical Services
	Org 21				B3	To control waste management including water contamination	B3.3	Ensure that all refuse is timeously removed from source to waste management center	Improve access to refuse Removal	Number of existing consumer units with access to refuse removal at least once per week	Number	8005	3800	4000	4114	4500	5000	5000	Community Services
	Org 32				B4	To provide safe, adequate and habitable housing that is closer to amenities	B4.2	Expedite housing project implementation through improved intergovernmental relations with the Department of Human Settlements	Improve access to adequate shelter	Number of new housing units with construction at above foundation level	Number	DHS	1000	500	500	1500	2000	4000	Technical Services
	Org 34						B4.1	Acquire land that is currently owned by farms surrounding the CBD for development	Develop new residential sites	Number of sites/ stands serviced with electricity	Number		-	-	145	150	100	395	Technical Services
	Org 35								Identify and acquire land for development	Date Acquisition of land has been approved by all parties	Date		-	-	2015/06/30	-	-	30 June 2015	Technical Services
	Org 37				B5	Ensure the optimal use, maintenance and equitable development of communal and Public Facilities	B5.2	Equitably provide sporting facilities and community halls on the one ward one hall; one ward one sporting field principles	Construction of new community halls	Number of community halls constructed & completed	Number	MIG	-		3	2	2	7	Technical Services
	Org 42								Construction of new pre-schools/crèches	Number of pre-schools/crèches developed	Number	MIG	-	3	1	4	2	10	Technical Services
	Org 43								Construction of new sport facilities	Number of sports facilities developed	Number	MIG	-	3	2	3	1	9	Technical Services

E2.3. LOCAL ECONOMIC DEVELOPMENT

- Lagging Local Economic Development; - High unemployment	Org 53	Implementation of Community works Programme and supported Cooperatives	LOCAL ECONOMIC DEVELOPMENT	A more equitable society, a more inclusive economy based on food security, self-sustenance and grounded on our comparative advantages	C1	Create a conducive environment for investing and SMME growth in Phongolo	C 1.1	Investigate hydro-electricity generation	Conduct physibility study on clean energy generation at Pongolapoort dam	Date the physibility study is completed for clean energy generation at Pongolapoort dam	Date	8416		-	2015/06/30	-	-	-	Tech Ser - LED
	Org 54						C 1.3	Develop skills (agricultural, bricklaying, plumbing, electrical and mining) of locals to sustain anticipated developments within Pongola	Provide training to the unemployed communities	Number of unemployed people trained	Number		50	70	100	120	140	480	Tech Ser - LED
	Org 55				C2	Increase the number of visitors to uPhongolo through integrated and targeted marketing	C2.1	Develop and revive tourism hubs and zones within uPhongolo	Development of LED infrastructure projects – Cogta funded	Number of planned LED infrastructure projects completed – Cogta funded	Number	Cogta	3	3	3	4	4	17	Tech Ser - LED
	Org 56								Develop more tourist attractions hubs/sites	Number of physibility study/business plans/project plans made for future tourist sites.	Number		0	0	3	3	3	9	Tech Ser - LED
	Org 57						C2.2	Tourism promotion and facilitation	Develop/Review LED strategy	LED Strategy aligned with the PGDS, EPWP & CWP	Date	8416	-	Draft	30-Aug	30-Jun	30-Jun	Yearly Review	Tech Ser - LED
	Org 58								Develop/Review Tourism strategy and align to District	Date Tourism strategy developed/reviewed	Date			Draft	30-Aug	30-Jun	30-Jun	Yearly Review	Tech Ser - LED
	Org 45	Implementation of Community works Programme and supported Cooperatives	LOCAL ECONOMIC DEVELOPMENT	A more equitable society, a more inclusive economy based on food security, self-sustenance and grounded on our comparative advantages	C3	Creation of temporary and permanent sustainable jobs	C 3.1	Create employment opportunities through labour intensive schemes	Jobs created through EPWP	Total number of jobs created and sustained for the year	Number	8431		85	60	90	120	120	Tech Ser - LED
	Org 49								Jobs created through CWP	Number of Jobs Created Through CWP (cumulatively)	Number		No info	No info	1300	1350	1400	1400	Tech Ser - LED
	Org 50								Jobs created through LED initiatives incl Capital Projects	Number of Jobs Created Through LED Initiatives incl Capital Projects (cumulatively)	Number		140	160	200	220	250	250	Tech Ser - LED
	Org 51						C 3.2	Formalization and training of cooperatives	Support of local businesses	Number of Co-ops members and SMME's employees/owners trained	Number		300	370	450	500	600	2220	Tech Ser - LED
	Org 52								LED Seminars and summits.	Number of business seminars and summits coordinated	Number		1	1	2	2	2	8	Tech Ser - LED
	Org 59				C4	Increase agricultural productivity	C 4.1	Drive Pongola tribal lands towards being South Africa's food basket using cooperatives and subsistence farming	Assist the establishment small scale farmer in Tribal land	Number of small scale farmers established and supported through out	Number	8485	0	0	14	14	14	14	Tech Ser - LED
	Org 60						C 4.2	Develop and sustain agro-processing and sugarcane and vegetable production capabilities (SA next food security base through sustained investments in short crops, citrus farming etc)	Develop a Comprehensive agricultural plan	Develop/Review Comprehensive agricultural plan	Date	8416	-	-	31-Mar	30-Jun	30-Jun	Yearly Review	Tech Ser - LED

E2.4 FINANCIAL VIABILITY AND MANAGEMENT

-Threats to Financial Viability and Management; - Unfavourable Audit Opinion	Org 79	IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY	FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Ensure the Municipality remains financially viable	D1	To apply good financial management in dealings with municipal finances	D1.1	Develop and implement measures to expand revenue base and generation.	Improve the Revenue Growth (%)	% Revenue Growth - (Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	%		7%	7%	7%	10%	11%	8%	Finance
	Org 81								Revenue enhancement strategy developed/reviewed and adopted	Date Revenue enhancement strategy Developed/Reviewed for adoption	Date		30-Jun	30-Jun	31-Dec	30-Jun	30-Jun	Yearly Review	Finance
	Org 82						D1.2	To control and account for all Municipal expenditure	Reduce Irregular, Fruitless and Wasteful and Unauthorised Expenditure (I, F &W, U E)	% I, F &W, U Expenditure incurred - (Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	%		0%	0%	0%	0%	0%	0%	Finance
	Org 83								Monitor Capital Expenditure Budget	% CAPEX BUDGET SPENT - Actual capital Expenditure / Budget Capital Expenditure x 100	%		95% - 100%	95% - 100%	95% - 100%	95% - 100%	95% - 100%	95% - 100%	Finance
	Org 84								Monitor - Operating Expenditure Budget	% OPEX Budget spent - Actual Operating Expenditure / Budgeted Operating Expenditure x 100	%		95% - 100%	95% - 100%	95% - 100%	95% - 100%	95% - 100%	95% - 100%	Finance
	Org 85								Monitor Remuneration cost	% staff cost over OPEX incurred - Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	%		25% - 40%	25% - 40%	25% - 40%	25% - 40%	25% - 40%	25% - 40%	Finance
	Org 86						D1.3	Develop and implement measures to reduce the level of debt owed to the municipality	Improve Net Debtors Days	Number of Net Debtors Days - ((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x365	Number in days		30	30	30	30	30	30	Finance
	Org 87								Improve Collection Rate	% Collection Rate - (Gross Debtors Closing Balance +Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off/Billed Revenue x 100	%		93%-95%	93%-95%	93%-95%	93%-95%	93%-95%	93%-95%	Finance
	Org 88						D1.4	Improve cash and debtors management	Improve the Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	Cash / Cost Coverage Ratio in Months - ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) +Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Number in months		1 - 3 Months	1 - 3 Months	1-3	1 - 3 Months	1 - 3 Months	1 - 3 Months	Finance
	Org 89	IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY	FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Ensure the Municipality remains financially viable	D2	To enforce a fair and legislatively compliance SCM policy	D2.1	Enhance contract management	Drafting of all Municipal contracts, TOR and service level agreements.	% of Service level agreements for service providers	%		100%	100%	100%	100%	100%	100%	Finance
	Org 91				D3	To budget and report on all Municipal financial transactions according to legislation	D3,4	Timeously report on financial matters as legislated/regulated.	Submit the Adjustment budget for tabling to Council by the Mayor by 25 February.	Date adjustment budget approved	Date		25-Feb	25-Feb	25-Feb	25-Feb	25-Feb	25-Feb	Finance
	Org 92								Prepare and submit the Previous year's annual financial statements to AG by 31 August	Date previous years AFS submitted	Date		31-Aug	31-Aug	31-Aug	31-Aug	31-Aug	31-Aug	Finance
	Org 94				D4	To ensure that assets are properly safeguarded, maintained and accounted for in the Municipal records		To account for all assets owned by the municipality	Conduct Asset verification	Number of times the asset verification is done	Number		2	2	2	2	2	10	Finance

E2.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Poor Marketing/Reporting of Municipal Projector Service Delivery	Org 61	DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE SYSTEM	GOOD GOVERNANCE, COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS	A people centered democracy that is transparent and responsive to the needs of its people	E1	Promote good governance, accountability and transparency	E 1.1	Promotion of effective, timeous, and efficient communication with both internal and external stakeholders	Public participation Meetings held quarterly per ward.	Number of community meetings	Number	8423	56	56	56	56	56	280	Comm. Serv
	Org 62								Improve internal communication	Number of MANCO meeting held	Number		12	12	12	12	12	60	MM
	Org 63						E 1.2	Monitor and improve internal Control & risk management processes	Approved and implemented Audit plan	% Audit plan Implemented or achieved	%		100%	100%	100%	100%	100%	100%	MM-Internal Audit
	Org 66								Anti-corruption strategy adopted by council	% reduction in fraud cases	%		100%	100%	100%	100%	100%	100%	MM-Internal Audit
									Conduct Annual Risk Assessment	Number of Annual Risk Assessments done	Number		1	1	1	1	1	5	MM-Risk Mng
	Org 67								To achieve and maintain a clean audit	Audit opinion received -Prior year AFS	Date		Unqualified	Unqualified	Unqualified with no emphasis	Clean audit opinion	Clean audit opinion	2 clean audit opinions	MM
	Org 69	DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE SYSTEM	GOOD GOVERNANCE, COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS	A people centered democracy that is transparent and responsive to the needs of its people	E2	Placing the primary focus on addressing the needs of communities within the municipality	E 2.1	Strengthening of oversight structures of council to ensure full functionality	Reports by MPAC	Number of MPAC reports submitted to council	Number		12	12	12	12	12	60.00	MM
	Org 71								Development and implementation of the Council Calendar of meetings	% of Full Council meetings actually held against planned	%		100%	100%	100%	100%	100%	100%	MM
	Org 73						E 2.2	Ward committees supported and capacitated to ensure functionality	All work to have a ward committee	Number of wards committees established fully factional	Number	8458	14	14	14	14	14	14	MM
	Org 76				E3	Report regularly on the dealings of the Municipality	E 3.1	Publish and distribute quarterly newsletters & Annual Reports to inform communities on progress and essential information	To ensure compilation and distribution of municipal newsletters	Number of Quarterly Newsletter published and distributed	Number		4	4	4	4	4	20	Corporate Serv.
	Org 77								Preparation, approval and publication of Annual Report done on time.	Date annual report finalised and Tabled.	Date		Draft 31/01 & Final 31/12	Draft 31/01 & Final 31/12	Draft 31/01 & Final 31/12	Draft 31/01 & Final 31/12	Draft 31/01 & Final 31/12	5 Annual reports	MM

E2.6. CROSS CUTTING ISSUES

- High number of Road Accidents, Fire and Disaster Incidents, High number of People infected and affected by HIV/AIDS	Org 95	Actions supportive of Human Settlements Outcomes; Single windows of Coordination	CROSS CUTTING INTERVENTIONS	To increase environmental and community safety.	F1	Promote the Environment conservation and management to ensure that adverse environmental impacts is prevented and mitigate	F1.2	To do due diligence on environmental impact for planned projects and programmes.	Conduct Environment Impact Assessment for new developments	% of Developmental applications with Environment impact assessments done.	%		100%	100%	100%	100%	100%	100%	Tech Serv. - Planning
	Org 96						F1.1	To develop and implement an environmental management plan that addresses climate change amongst other things.	Develop Environmental Management Plan	Date Environmental Management Plan developed/reviewed and adopted by Council	Date		-	-	31-Mar	30-Jun	30-Jun	Yearly Review	Comm. Serv/ Techn Serv.
	Org 97				F2	Mitigate the HIV epidemic and promote positive living in Pongola	F2.2	Participate in Sukhuma sakhe programs	Attendance of sukuma sakhe meeting and programs	Number of (Sukuma sakhe) meeting attended	Number		47	47	47	47	47	235	Community Service
	Org 99				F3	Provide disaster management and emergency services	F3.3	Develop Contingency plan for the Municipality long term and short term (life span)	Develop disaster and fire contingency plan for the Municipality	Date disaster and fire contingency plan developed/ Reviewed and adopted	Date		-	-	30-Jun	30-Jun	30-Jun	Yearly Review	Community Service
	Org 100						F3.4	Develop fire brakes system for farmers and enforce fire belt implementation	Fire brakes as a prevention method	Conduct annual Fire brakes in the Municipal Area	Number		-	-	14	14	14	42	Community Service
	Org 102				F4	Ensure the needs of Special groups are addressed	F4.1	Develop and implement projects targeting the special groups	Develop and implement Youth programmes	Number of youth programmes developed and implemented	Number	8460	4	4	4	4	4	20	Community Service
	Org 102								Develop and implement Elderly support programmes	Number of elderly programmes implemented	Number	8428	4	4	4	4	4	20	Community Service
	Org 103								Develop and implement programmes to support People with disability	Number of Disability events/programmes implemented	Number	8473	4	4	4	4	4	20	Community Service
	Org 104								Design and implement Women program	Number of Women events/programmes implemented	Number	8486	1	1	1	1	1	5	Community Service
	Org 105								Design and implement Men program	Number of Men events/programmes implemented	Number	8453	1	1	1	1	1	5	Community Service
	Org 106								Design and implement Children program	Number of Children events/programmes implemented	Number	8486	1	1	1	1	1	5	Community Service
	Org 108				F5	Reduce crime rate within Pongola	F5.1	Promote neighbourhood watch group schemes	Participation in community policing forum (CPF).	Number of CPF meetings attended	%		8	8	8	8	8	40	Community Service
	Org 109	Actions supportive of Human Settlements Outcomes; Single windows of Coordination	CROSS CUTTING INTERVENTIONS	To increase environmental and community safety.	F6	Implement SPLUMA principles	F6.3	Prepare a wall to wall planning scheme for the whole municipal area	Prepare a wall to wall scheme for the Municipality	Date the "wall to wall" scheme prepared and adopted	Date	5015	-	-	30-Jun	-	-		Tech Serv - Planning
	Org 110				F7	Uphold the rule of law and safety on pongola roads	F7.2	Monitor and assess driver fitness and Vehicle roadworthiness through Road blocks	Road blocks conducted quarterly.	Number of road blocks conducted	Number	3505	15	18	15	18	20	86	Community Service
	Org 111						F7.1	Monitor and fix road markings and signs(incl minimum tonnage in CBD) to promote safer roads	Road marking done on major roads	Kms of road markings/painting done	Number in Kms		10	12	15	20	23	80	Community Service
	Org 112								Road safety campaigns conducted	Number of road safety campaigns	Number		4	6	8	8	8	34	Community Service

E 3 MUNICIPAL PROJECTS

In its aim to achieve a credible IDP 2014/15 the Municipality engaged the various sector Departments to provide input on this component of the IDP Review.

Name of Project	Wards	Stakeholder	Budget	Timing
Mavuka - Regional Scheme, Reticulation	6	ZDM	R3,692,500 per annum	2012-2014
Emncithini - Regional Scheme, Reticulation	6	ZDM		2012-2014
Luphiso - Regional Scheme, Reticulation	3	ZDM		2012-2014
Khiphunyawo - Regional Scheme, Reticulation	3	ZDM		2012-2014
Ntabsnixzulu - Regional Scheme, Reticulation	3	ZDM		2012-2014
Sibhangsakomo - Regional Scheme, Reticulation	3	ZDM		2012-2014
Enkwambase - Regional Scheme, Reticulation	3	ZDM		2012-2014
Take-off to Res A9 - Regional Scheme, Bulk Supply	ZDM			2012-2014
Booster Pump - Regional Scheme, Bulk Supply	ZDM			2012-2014
Pongola WTW Upgrade - Regional Scheme, Bulk Supply	2	ZDM	R15m per annum	2012-2014
Gumbi- Regional Scheme, Reticulation	14	ZDM	R3,692,500 per annum	2012-2014
Mandlakayise -	1	ZDM	est. R1m	2012-2013

Rudimentary				
Mabophe – Rural Sanitation	4	ZDM	R 10,464,000	2012-2013
Thengizwe 1 – Rural Sanitation	4	ZDM		2012-2013
Moyeni – Rural Sanitation	4	ZDM		In Progress
Moya Wamampondo – Rural Sanitation	4	ZDM		In Progress
Mabophe – Rural Sanitation	4	ZDM		In Progress
Engwabi – Rural Sanitation	8	ZDM		2012-2013
Ezinketheni – Rural Sanitation	8	ZDM		2012-2013
Okhahlamba – Rural Sanitation	8	ZDM		In Progress
Endabeni – Rural Sanitation	8	ZDM		In Progress
Hhohho – Rural Sanitation	8	ZDM		In Progress
Elangeni – Rural Sanitation	8	ZDM		In Progress
Mpemvane – Rural Sanitation	12	ZDM		In Progress
Liba 2 – Rural Sanitation	12	ZDM		In Progress
Waterbus – Rural Sanitation	12	ZDM		In Progress
D1867 Regravel	3&5	DoT	R 2 500 000	2013/14
D1937 Regravel	11	DoT	R 2 500 000	2013/14
D1929 Regravel	9	DoT	R 1 600 000	2013/14
D565 Regravel	1	DoT	R 1 600 000	2013/14

D1863 Regravel	13	DoT	R 1 100 000	2013/14
D1870 Regravel		DoT	R 1 100 000	2013/14
D1864 Regravel	8	DoT	R 1 150 000	2013/14
Lubhalo Regravel	8	DoT	R 650 000	2013/14
L125 Regravel	1	DoT	R 650 000	2013/14
D1930 Regravel	9	DoT	R 1 600 000	2013/14
P84 Regravel	14	DoT	R 0	2013/14
Ndishini causeway	4	DoT	R 1 300 000	2013/14
Ukhahlamba	8	DoT	R 0	2013/14
Nkonzeni Road (access to Nkonzeni school)	1	DoT	R 400 000	2013/14
Rehabilitation of N2	uPM	SANRAL	Not known	2013/14
Local roads and causeways	6;11	DoT	R 1 700 000	2014/15
Regravels	3;6;5;8;9;11;12;13;14	DoT	R 15 955 208	2014/15
Local roads and causeways	3;14	DoT	R 1 700 000	2015/16
Regravels		DoT	R 16 858	2015/16
Pongola Dam Nature Reserve – Infrastructure and Community Conservation Area	14	DEAT	R 18,000,000	2010/13
"Branding" included in the Marketing Plan for Lebombo and St Lucia the	14	Lebombo SDI Committee	R1,100,000	2010/13

Pongolapoort Dam				
Pongolapoort Dam: Water Based Public-Private Partnerships		ZDM/Gijima	R 600,000	2010/13
Golela Border Post – General Upgrading	14	DoW	R 13,000,000	2010/13
Pongolapoort Project Facilitation	14	COGTA IMUF	R277,000 25%	Appointed and extension of contract
Lebombo Corridor Development projects: Nodes – Nkonkoni and Golela: Planning Implementation	14	COGTA	R2,500,000	2010/13
Simdlangentsha Community Game Reserve (SICCP)	3;4;5;6;7 and 12	DEAT	R 38,500,000	2011/14
Itshelejuba Hospital Admin Block and Tuck Shop		Dept of Health	R 4,364,913	2010/13
One stop health and information centre at Truck Stop	11	Dept of Health	Unknown	2010/13
Sibusisiwe Crèche	9	DSocD	TBC	2013/14
Sinenhlanhla Day Care Centre	4	DSocD	TBC	2013/14
Sakhithemba Crèche	13	DSocD	TBC	2013/14
Vukuzame Crèche		DSocD	TBC	2013/14
Siyaphambili Day to	4	DSocD	TBC	2013/14

Crèche				
Gumbi Settlement Planning	14	COGTA	R 500,000	2009/15
Alien Weed Control and Fencing	uPM		R 650 000	2012/14
Sibiya Traditional Administrative Centre Renovation	3		R 450 000	2010/13
Simelane Traditional Administrative Centre Renovation	8		R 450 000	2010/13

The following table outlines the sector involvement and support as submitted by the sector departments.

E 4. SECTOR FUNDED PROJECTS

Name of Project	Beneficiaries/Ward	Source of Funding	Implementing Agent	Budget	Time Frames
2014/15 IDP Review	uPM	CoGta	uPM/Tech	R100 000	2013/14
uPhongolo Land Use Management System (Phase 1)	2;10 and 11	COGTA	uPM/Tech	R 380,000	2012/13
uPhongolo Land Use Management System (Phase 2)	uPM	COGTA	uPM/Tech	R500 000	2013-15
uPhongolo SDF	uPM	DLRAD	uPM/Tech	R360 000	2012/13
Ext 4 Roads and Stormwater	11	MIG	uPM/Tech	R 34,550,455.93	Completed
Ncotshane RDP Housing and Bulk stormwater infrastructure Phase 3	10	MIG	uPM/Tech	R 3,963,995.38	Completed
Ncotshane RDP Housing - Bulk Stormwater Infrastructure Phase IV	10	MIG	uPM/Tech	R 6,025,447.20	Registered
Surfacing of Gravel Roads in Ncotshane	10	MIG	uPM/Tech	R30,100,109.98	2012-16
uPhongolo Access Roads & Stormwater	All	MIG	uPM/Tech	R 40,500,000	2011/14
Surfacing of Gravel Road in Ncotshane	2	MIG	uPM/Tech	R16 838 665	2013/14
Ward Upliftment –maintenance of informal roads	All wards	External	uPM/Tech	R12,000,000	2013/14
Environmental study-barrow pits	2;10	External	uPM/Tech	R400 000	2013/14
Concrete gabions	10	uPM	uPM/Tech	R200 000	2013/14
Streetlights Ext 4	10	MIG	uPM/Tech	839,200.00	Registered

Name of Project	Beneficiaries/Ward	Source of Funding	Implementing Agent	Budget	Time Frames
Ncotshane Township Renewal and Nodal Development Initiative(Taxi Rank)	2	MIG	uPM/Tech	R 14,048,934.6	Registered
EPWP Projects	2	NDPW	uPM/Tech	R700 000	2013/14
Solar street lights & high masts for econ dev	uPM	COGTA	uPM/Tech	R 3 000 000	2013/14
Imbube Cultural village		COGTA	uPM/Tech	R 8 000 000	2013/14
Sub Taxi rank facilities	11	COGTA	uPM/Tech	R 6 000 000	2013/14
uPhongolo Fleamarket Infrastructure Phase 2	11	COGTA	uPM/Tech	R2 700 000	2011/14
Tourism Budget	uPM	uPM	uPM/Tech	R 400 000	2013/14
Ncotshane Housing Project	2;10	DoH	uPM/Tech	R 13,369,440	2008/14
Revise and align Electronic PMS System	uPM	COGTA	uPM/Corp	R725000.00 R120000	2012/14
Communication equipment	uPM	uPM	uPM/MM	R100 000	2013/14
Recapitalization of community Libraries	uPM	Dept. Arts and Culture	uPM/Comm	R 90 000	2013/14
Thusong Library	uPM	Provincial Library Services	uPM/Comm	-	2013/14
Books and journals Ncotshane and Belgrade	uPM	Determine	uPM/Comm	R 100 000	2013/14
IT Upgrading	uPM	MSIG	uPM/MM	R700,000	2013/14
Upgrading of Sports facilities in Municipal area	Municipal Are	MIG	uPM/Tech	18,328,464.00	Pending MIG allocation

E 5. IDENTIFIED DEVELOPMENT NEEDS (COUNCILLORS WISH LIST)

E5.1.WARD 1.

Ward	Project	Project Type	Area	Priority Number	Councillor
1	Electricity	120 Connection	Valleyside (Mpondo, Mapalaza)	1	Cllr FF Simelane
1	Electricity	250 Connections	Dwarsand (Nyaliza, Manzamhlophe)	2	Cllr FF Simelane
1	Electricity	64 Connections	Kwamphatha (Mthunzini, Bedina)	3	Cllr FF Simelane
1	Electricity	115 Connections	Mandlakayise	4	Cllr FF Simelane
1	Electricity	310 Connections	Fuduka/Klein Eden	5	Cllr FF Simelane
1	Electricity	140 Connections	Banakile	6	Cllr FF Simelane
1	Electricity	47 Connections	Morreson	7	Cllr FF Simelane
1	Electricity	140 Connections	Mpakama	8	Cllr FF Simelane
1	Water	Water	Mpalaza	1	Cllr FF Simelane
1	Water	Water	Kwampondo	2	Cllr FF Simelane
1	Water	Water	Magudu	3	Cllr FF Simelane
1	Water	Water	Esibakeni	4	Cllr FF Simelane
1	Water	Water	Emangwini	5	Cllr FF Simelane
1	Water	Water	Nyaliza	6	Cllr FF Simelane
1	Water	Water	Manzamhlophe	7	Cllr FF Simelane
1	Water	Water	Dwarsrand	8	Cllr FF Simelane
1	Water	Water	Bedina Sithole	9	Cllr FF Simelane
1	Water	Water	Morreson	10	Cllr FF Simelane
1	Water	Water	Mandlakayise	11	Cllr FF Simelane
1	Water	Water	Fuduka	12	Cllr FF Simelane
1	Water	Water	Esikhaleni	13	Cllr FF Simelane
1	Water	Water	Banakile	14	Cllr FF Simelane
1	Access Roads	Access Roads	Mpalaza	1	Cllr FF Simelane
1	Access Roads	Access Roads	Kwampondo	2	Cllr FF Simelane
1	Access Roads	Access Roads	Magudu	3	Cllr FF Simelane
1	Access Roads	Access Roads	Esibakeni	4	Cllr FF Simelane
1	Access Roads	Access Roads	Emangwini	5	Cllr FF Simelane
1	Access Roads	Access Roads	Nyaliza	6	Cllr FF Simelane
1	Access Roads	Access Roads	Manzamhlophe	7	Cllr FF Simelane
1	Access Roads	Access Roads	Bedina Sithole	8	Cllr FF Simelane
1	Access Roads	Access Roads	Morreson	9	Cllr FF Simelane
1	Access Roads	Access Roads	Mandlakayise	10	Cllr FF Simelane
1	Access Roads	Access Roads	Fuduka	11	Cllr FF Simelane
1	Access Roads	Access Roads	Esikhaleni	12	Cllr FF Simelane
1	Access Roads	Access Roads	Banakile	13	Cllr FF Simelane
1	Toilets/Sanitation	Access Roads	Mpalaza	1	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Kwampondo	2	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Magudu	3	Cllr FF Simelane

Ward	Project	Project Type	Area	Priority Number	Councillor
1	Toilets/Sanitation	Toilets/Sanitation	Esibakeni	4	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Emangwini	5	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Nyaliza	6	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Manzamhlophe	7	Cllr FF Simelane
	Toilets/Sanitation	Toilets/Sanitation	Dwarsrand	8	
1	Toilets/Sanitation	Toilets/Sanitation	Bedina Sithole	9	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Morreson	10	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Mandlakayise	11	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Fuduka	12	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Esikhaleni	13	Cllr FF Simelane
1	Toilets/Sanitation	Toilets/Sanitation	Banakile	14	Cllr FF Simelane

E 5.2. Ward 2.

Ward	Project	Project Type	Area	Priority Number	Councillor
2	Tarred Street & Storm water drainage System	Infrastructure	Ntshingila Street	1	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Simandlangentsha Street	2	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Buffalo Street	3	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Simelane Street	4	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Ekuthuleni Street	5	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Nzimande Street	6	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	St. Johns Street	7	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Emajubeni Street	8	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Lindelani Street	9	Cllr N.J Mkhwanazi
2	Tarred Street & Storm	Infrastructure	Shenge Street	10	Cllr N.J Mkhwanazi

Ward	Project	Project Type	Area	Priority Number	Councillor
	water drainage System				
2	Tarred Street & Storm water drainage System	Infrastructure	Mzilankatha Street	11	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Lerutla,Dwaleni , kwaNhlabathi, Mondlane to kwaChisari	2	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Magwisi, Simelani to healing ministries	3	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Simelane Street	4	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Mhkwanazi, Mthembu, Ndwandwe	5	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Ndimande, Lobster, Themba Mduli st	6	Cllr N.J Mkhwanazi
2	Tarred Street & Storm water drainage System	Infrastructure	Mleje st, Mafuleka st, Msezane st	7	Cllr N.J Mkhwanazi
2	High Mast lights	Public lighting	Ncotshane	8	Cllr N.J Mkhwanazi
2	Taxi bus/stop shelter	Infrastructure	Ncotshane	9	Cllr N.J Mkhwanazi
2	Renaming of streets	Cultural	Ncotshane	10	Cllr N.J Mkhwanazi
2	Sports complex	Infrastructure	Ncotshane	11	Cllr N.J Mkhwanazi
2	Clinic	infrastructure	Lindelani	12	Cllr N.J Mkhwanazi
2	Old age home	infrastructure			Cllr N.J Mkhwanazi
2	Disabled Centre	infrastructure	Next to Ncotshane workshop	5	Cllr N.J Mkhwanazi
2	Welding and training centre	infrastructure	Unknown	4	Cllr N.J Mkhwanazi
2	Water tank reservoir	water	Unknown	4	Cllr N.J Mkhwanazi

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E.5.3. Ward 3.

Ward	Project	Project Type	Area	Status march 2014 IDP review	Priority Number	Councillor
3	Access Roads	Infrastructure		9.2 km done from	1	Cll M.J Phakathi

Ward	Project	Project Type	Area	Status march 2014 IDP review	Priority Number	Councillor
				Dlamini to Somile		
3	Access Roads	Infrastructure			2	Cll M.J Phakathi
3	Bus stop shelters	Infrastructure			1	Cll M.J Phakathi
3	Electricity	Solar system			1	Cll M.J Phakathi
		Infills Project		Zatheni completed only 5 houses left	2	
		Street Lights				
3	Toilets/Sanitation	The entire ward needs sanitation-2860 toilets		2860 shortfall	1	Cll M.J Phakathi
3	Water	Transport of Mozane Dam water	Kwakhiphinyawo		1	Cll M.J Phakathi
3	Water	Transport of Mozane Dam water	Orenjedal		1	Cll M.J Phakathi
3	Water	Renewal of water pipe line system			1	Cll M.J Phakathi
3	Water	Buying of new engine for existing dams			1	Cll M.J Phakathi
3	Water	Development of new dams	Esiqqumeni		1	Cll M.J Phakathi
3	Water	Extension of Mnyokane dam			1	Cll M.J Phakathi
3	Water	Re-installation of boreholes and installation of new boreholse			1	Cll M.J Phakathi
3	Sports	Development of 2 sports centres	KwaMsibi		1	Cll M.J Phakathi
3	Sports	Development of 2 sports centres	KwaSibiya		2	Cll M.J Phakathi
3	Sports	Maintenance of 14 existing soccer fields			3	Cll M.J Phakathi
3	Live stock camps	Fencing material for 150 km			1	Cll M.J Phakathi
3	Vegetable garden fencing	Fencing all community vegetable gardens			1	Cll M.J Phakathi
3	Cemetries	Fencing of all community cemeteries			1	Cll M.J Phakathi
3	Cemetries	TLB for digging of graves			2	Cll M.J Phakathi
3	Cemetries	Fencing of all community cemeteries			1	Cll M.J Phakathi
3	Cemetries	Maintenance of cemetries			3	Cll M.J Phakathi

Ward	Project	Project Type	Area	Status march 2014 IDP review	Priority Number	Councillor
3	Community Halls	Development of 2 new community halls	Vimbeshini and Esinqeni		1	Cll M.J Phakathi
3		Maintenance of Halls	KwaMsibi and Prince Bakauiphi Hall		2	Cll M.J Phakathi
3		Extension of fence and sound system	KwaMsibi nad Prince Bekauiphi Hall		3	Cll M.J Phakathi
3	Youth Centre skills centre				1	Cll M.J Phakathi
3	Operation Mbo Service centre				1	Cll M.J Phakathi
3	Children Parks		KwaMSibi		1	Cll M.J Phakathi
3			KwaSibna		2	Cll M.J Phakathi
3	RDP Houses				1	Cll M.J Phakathi
3	Sustainable projects	Free markets	KwaKhiphunyawo and Mediane (Orenjedal)		1	Cll M.J Phakathi
3		Poultry Projects			2	
3		Agriculture projects			3	
3		Three tractors			4	
3	Community care centres	Care of O.V.C's			1	Cll M.J Phakathi
3		Care of old Age people			2	Cll M.J Phakathi
3	Pension Paypoints	Building shelters			1	Cll M.J Phakathi
3		Chairs			2	Cll M.J Phakathi
3		Water			3	Cll M.J Phakathi
3		Toilets			4	Cll M.J Phakathi
3		Fencing			5	Cll M.J Phakathi
3	Shopping Centre	Filling System			1	Cll M.J Phakathi
3		Workshop			2	Cll M.J Phakathi
3		Hardware			3	Cll M.J Phakathi
3		ATM			4	Cll M.J Phakathi
3		Clothing Factory			5	Cll M.J Phakathi
3	Educational	Library			1	Cll M.J

Ward	Project	Project Type	Area	Status march 2014 IDP review	Priority Number	Councillor
	needs					Phakathi
3		Laboratory			2	Cll M.J Phakathi
3	Tourism development		Mozane		1	Cll M.J Phakathi
3	Creches		Entabeni Yezulu		1	Cll M.J Phakathi
3			Kwaluphiso		2	Cll M.J Phakathi
3			Emagiqweni		3	Cll M.J Phakathi
3			Mncithini		4	Cll M.J Phakathi
3			Vimbeshini		5	Cll M.J Phakathi
3			Oranjedale		6	Cll M.J Phakathi
3			Midiane		7	Cll M.J Phakathi
3			Esigqumeni		8	Cll M.J Phakathi
3	Mozane Road	Demolitin of Mozane Mountain to re-build a safe road			1	Cll M.J Phakathi
3		Mozane road to be tarred	Belgrade to Ntumbane area		2	Cll M.J Phakathi
3	Administration centres	Inkosi Sibaya Tribal			1	Cll M.J Phakathi
3		Inkosi Msibi Tribal			2	Cll M.J Phakathi
3		Ward Councillo's administration aoffices			3	Cll M.J Phakathi
3	Building taxi rank		KwaMsibi T-junction			Cll M.J Phakathi
3	Agricultural land for farmers					Cll M.J Phakathi
3	Improving deeping centres for stock	Providing water pipe lines				Cll M.J Phakathi
3	Laboratories at schools					
3	Pedestrian bridges as children can't cross when it rains					
3	Boreholes					

E 5.4. Ward 4.

Ward	Project	Project Type	Area	Priority Number	Councillor
4	Water	500m	Nkonyaneni	2	Cllr E.N Buthelezi
4	Water	5km	Dark City	3	Cllr E.N Buthelezi
4	Water	200m	Dibitini	4	Cllr E.N Buthelezi
4	Water	560m	Mshokobezi	5	Cllr E.N Buthelezi
4	Water	600m	Mgababa	6	Cllr E.N Buthelezi
4	Water	200m	Thengizwe	7	Cllr E.N Buthelezi
4	Water	500m	Gulukudu	8	Cllr E.N Buthelezi
4	Water	300m	Ncube	9	Cllr E.N Buthelezi
4	Water	Upgrading of existing waterpipes	Spekboom River	7	Cllr E.N Buthelezi
4	Reticulation		Nkonyaneni	40 Households	Cllr E.N Buthelezi
4	Reticulation		Makethe and Dark City	82 Households	Cllr E.N Buthelezi
4	Reticulation		Mshokobezi	120 Households	Cllr E.N Buthelezi
4	Reticulation		Mgababa	72 Households	Cllr E.N Buthelezi
	Reticulation		Ncube	42 Households	Cllr E.N

Ward	Project	Project Type	Area	Priority Number	Councillor
					Buthelezi
	Reticulation		Dibhini	15 Households	Cllr E.N Buthelezi
4	Electricity (Infills)		Mabophe	121Households	Cllr E.N Buthelezi
4	Electricity (Infills)		Ndalini	17 Households	Cllr E.N Buthelezi
4	Electricity (Infills)		Gulukudu	46 Households	Cllr E.N Buthelezi
4	Electricity (Infills)		Mshokobezi	206Households	Cllr E.N Buthelezi
4	Electricity (Infills)		Dark City	94 households	Cllr E.N Buthelezi
4	Electricity (Infills)		Thengizwe/Emoyeni	201 Households	Cllr E.N Buthelezi
4	Electricity (Infills)		Dubhini	63 Households	Cllr E.N Buthelezi
4	Electricity (Infills)		Nyawoshane	7 Households	Cllr E.N Buthelezi
4	Electricity (Infills)		Zixhotsheni	21 Households	Cllr E.N Buthelezi
4	Electricity (Infills)		Mgababa	60 households	Cllr E.N Buthelezi
4	Access Roads	Access roads from D5080		1	Cllr E.N Buthelezi
4	Mabedlane access	Mabedlane access		2	Cllr E.N Buthelezi
4	Qondi Access	Qondi Access		3	Cllr E.N Buthelezi

Ward	Project	Project Type	Area	Priority Number	Councillor
4	Tiba Access	Tiba Access		4	Cllr E.N Buthelezi
4	Access roads	Access roads	from D1866	5	Cllr E.N Buthelezi
4	Zakheni Access	Zakheni Access		6	Cllr E.N Buthelezi
4	Nsada Access	Nsada Access		7	Cllr E.N Buthelezi
4	Bhareni Access	Bhareni Access		8	Cllr E.N Buthelezi
4	Access roads	Access roads	from D2137	9	Cllr E.N Buthelezi
4	Pedestrian bridge to Ziqeqeshe Primary School	Pedestrian bridge to Ziqeqeshe Primary School		10	Cllr E.N Buthelezi
4	Other access roads	Other access roads		11	Cllr E.N Buthelezi
4	Mgababa Access	Mgababa Access		12	Cllr E.N Buthelezi
4	Ndalini Access	Ndalini Access		13	Cllr E.N Buthelezi
4	Gulukudu Access	Gulukudu Access		14	Cllr E.N Buthelezi
4		Nsunduza Access		15	Cllr E.N Buthelezi
4		Miracle Access		16	Cllr E.N Buthelezi

Ward	Project	Project Type	Area	Priority Number	Councillor
4	Sanitation	1320 Households	Mshokobezi/Moyeni	1	Cllr E.N Buthelezi
4	521 Households	521 Households	Mabophe	2	Cllr E.N Buthelezi
4	82 Households	82 Households	Makethe	3	Cllr E.N Buthelezi
4	321 Households	321 Households	Thengizwe 1	4	Cllr E.N Buthelezi
4	226 Households	226 Households	Thengizwe 2	5	Cllr E.N Buthelezi
4	321 Households	321 Households	Thengizwe 1	4	Cllr E.N Buthelezi
4	226 Households	226 Households	Thengizwe 2	5	Cllr E.N Buthelezi
4	Sports	Upgrading the existing Mthikotshwaza Soccer field to a multi-sport centre	Mabophe	1	Cllr E.N Buthelezi
4	Sports	Upgrading the existing Mthikotshwaza Soccer field to a multi-sport centre	Mabophe	1	Cllr E.N Buthelezi
4	Community Hall	Building 1 community Hall	Godzwayo	1	Cllr E.N Buthelezi
4	Renewing of stock camp	Renewing of stock camp		2	Cllr E.N Buthelezi
4	Fencing of	Fencing of		3	Cllr E.N

Ward	Project	Project Type	Area	Priority Number	Councillor
	Mshokobezi Camp for 220km surroundings	Mshokobezi Camp for 220km surroundings			Buthelezi
4	Fencing od Mabophe camp for 150km surrounding	Fencing od Mabophe camp for 150km surrounding		4	Cllr E.N Buthelezi
4	Fencing of Culukudu Camp for 121km surroundings	Fencing of Culukudu Camp for 121km surroundings		5	Cllr E.N Buthelezi
4	Fencing of Nyandshane camp for 200km Surroundings	Fencing of Nyandshane camp for 200km Surroundings		6	Cllr E.N Buthelezi
4	Proposal for Community radio station	Proposal for Community radio station		7	Cllr E.N Buthelezi
4	one stop centre	Infrastructure	Ndalini Area		
4	920 Houses	RDP Houses	Mshokobeni	1	Cllr E.N Buthelezi
4	98 Houses	RDP Houses	Nyawoshane	2	Cllr E.N Buthelezi
4	221 Houses	RDP Houses	Mabophe	3	Cllr E.N Buthelezi
4	425 Houses	RDP Houses	Moyeni	4	Cllr E.N Buthelezi

Ward	Project	Project Type	Area	Priority Number	Councillor
4	320 Houses	RDP Houses	Gulukudu/Dark City	5	Cllr E.N Buthelezi
4	102 Houses	RDP Houses	Ncube	6	Cllr E.N Buthelezi
4	Cemetries	Graveyard	Mshokobezi	1	Cllr E.N Buthelezi
4	Cemetries	Graveyard	Mabedlane	2	Cllr E.N Buthelezi
4	Cemetries	Graveyard	Godlwayo	3	Cllr E.N Buthelezi
4	Cemetries	Graveyard	Mabophe	4	Cllr E.N Buthelezi
4	Cemetries	Graveyard	Gulukudu	5	Cllr E.N Buthelezi
4	Pension Paypoint centres	Shelters with chairs and fence	Godlwayo and Mabophe PAypoint	1	Cllr E.N Buthelezi
4	Creches	Infrastructure	Mshokobezi	1	Cllr E.N Buthelezi
4	Creches	Infrastructure	Ncube	2	Cllr E.N Buthelezi
4	Creches	Infrastructure	Gulukudu	3	Cllr E.N Buthelezi
4	Creches	Infrastructure	Thengizwe	4	Cllr E.N Buthelezi
4	Creches	Infrastructure	Moyeni	5	Cllr E.N Buthelezi
4	Sustainable Projects	Poultry		1	Cllr E.N Buthelezi

Ward	Project	Project Type	Area	Priority Number	Councillor
4		Agriculture		2	Cllr E.N Buthelezi
4		Block making		3	Cllr E.N Buthelezi
4	Youth Skills Centre	Godlwayo Market Stalls	Mabophe	1	Cllr E.N Buthelezi
4		Access Roads		2	Cllr E.N Buthelezi
4		MIG Access Roads		3	Cllr E.N Buthelezi
		Houses		1942 Households	
4	Youth Skills Centre	Godlwayo Market Stalls	Mabophe	1	Cllr E.N Buthelezi
4		Access Roads		2	Cllr E.N Buthelezi

E5.6. Ward 5.

Ward	Project	Project Type	Area	Priority Number	Councillor
5		Crèche	Sibiyangenkomo, Msizini and Enqbeni		MJ Dlamini
5	Fencing of cattle camps	Farming	Sibiyangenkomo		MJ Dlamini
5	Fencing of cattle camps	Farming	Lahlampondo		MJ Dlamini
5	Fencing of	Farming	Mabonjana		MJ Dlamini

Ward	Project	Project Type	Area	Priority Number	Councillor
	cattle camps				
5	Fencing of cattle camps	Farming	Enqabeniyamantungwa		MJ Dlamini
5	Fencing of cattle camps	Farming	Mzsizini		MJ Dlamini
5	Fencing of cattle camps	Farming	Lahlampondo		MJ Dlamini
5	Fencing of cattle camps	Farming	Maleyini		MJ Dlamini
5	Fencing of cattle camps	Farming	Enqabeniyamantungwa		MJ Dlamini
5	Fencing of cattle camps	Farming	Dlovunga Cemeteries		MJ Dlamini
5	65 Houses for connections	Electricity	Mabonjana		MJ Dlamini
5	840 Houses for connections	Electricity	Enqabeniyamantungwa		MJ Dlamini
5	130 Infill's	Electricity Infill's	Belgrade		MJ Dlamini
5	120 infill's	Electricity Infill's	Sibiyangenkomo		MJ Dlamini
5		Belgrade Library	Belgrade		MJ Dlamini
5	D1867	Tar Belgrade main roads	Belgrade		MJ Dlamini
5	D1844	Tar Belgrade main roads	Belgrade		MJ Dlamini
5	Access Roads	Taxi road	Bambanani to Crebheni		MJ Dlamini
5	Pedestrian Bridge	Pedestrian Bridge	Section B and D		MJ Dlamini

Ward	Project	Project Type	Area	Priority Number	Councillor
5	100 Houses	RDP Housing projects	Belgrade A		MJ Dlamini
5	100 Houses	RDP Housing projects	Belgrade B		MJ Dlamini
5	50 Houses	RDP Housing projects	Belgrade C		MJ Dlamini
5	50 Houses	RDP Housing projects	Belgrade D		MJ Dlamini
5	40 Houses	RDP Housing projects	Mabonjana		MJ Dlamini
5	50 Houses	RDP Housing projects	Lahlampondo		MJ Dlamini
5	40 Houses	RDP Housing projects	Maleyini		MJ Dlamini
5	100 Houses	RDP Housing projects	Enqabeniyamantungwa		MJ Dlamini
5	100 Houses	RDP Housing projects	Msizini		MJ Dlamini
5	100 Houses	RDP Housing projects	Sibiyangenkomo		MJ Dlamini
5	Access Roads	Gravelling of access roads	Mabonjana		MJ Dlamini
5	Access Roads	Gravelling of access roads	Lahlampondo		MJ Dlamini
5	Access Roads	Gravelling of access roads	Maleyini		MJ Dlamini
5	Access Roads	Gravelling of access roads	Enqabeniyamantungwa		MJ Dlamini

Ward	Project	Project Type	Area	Priority Number	Councillor
5	Access Roads	Gravelling of access roads	Belgrade A		MJ Dlamini
5	Access Roads	Gravelling of access roads	Belgrade B		MJ Dlamini
5	Access Roads	Gravelling of access roads	Belgrade C		MJ Dlamini
5	Access Roads	Gravelling of access roads	Belgrade D		MJ Dlamini
5	Access Roads	Street lights	Belgrade		MJ Dlamini
5	Creche	Infrastructure	Sibiyangankomo, Mabonjana and Msizini		MJ Dlamini
5	Community hall	Infrastructure	Sibiyangankomo		MJ Dlamini
5	Sportsfield	Infrastructure	Sibiyangankomo		MJ Dlamini
5	Fencing of cemeteries	Infrastructure	Maleyini		MJ Dlamini
5	Fencing of cemeteries	Infrastructure	Lahlampondo		MJ Dlamini
5	Fencing of cemeteries	Infrastructure	Msizini		MJ Dlamini
5	Fencing of cemeteries	Infrastructure	Enqabeni yamanyunuwa		MJ Dlamini

E 5.7. Ward 6.

Ward	Project	Project Type	Area	Priority Number	Councillor
6	2.6km pipes	Water Pipes	Mafindose		NP Mavuso
6	600m pipes	Water pipes	Ebumbeni		NP Mavuso
6	3km pipes	Water pipes	Dlomololo		NP Mavuso
6	4km pipes	Water pipes	Okhetheni		NP Mavuso
6	6km pipes	Water pipes	Altona		NP Mavuso
6	7km pipes	Water pipes	Nkomzwayo		NP Mavuso
6	120 Households	Infill's Project	Embomboni		NP Mavuso
6	65 Households	Infill's Project	Kumafindose		NP Mavuso
6	350 Households	Infill's Project	Kumbhuncu		NP Mavuso
6	230 Households	Infill's Project	Enkanjini		NP Mavuso
6	40 Households	Infill's Project	Kutobakayishi		NP Mavuso
6	69 Households	Island Project	Kumafindose		NP Mavuso
6	230 Households	Island Project	Kumbhuncu		NP Mavuso
6	59 Households	Island Project	Embumbani		NP Mavuso
6	Access roads	Access roads	Kudlomololo		NP Mavuso
6	Access roads	Access roads	Kunkomuzwayo		NP Mavuso
6	Access roads	Access roads	Efenyane		NP Mavuso
6	Access roads	Access roads	Emanzabovu		NP Mavuso
6	Access roads	Access roads	Kuhusazane		NP Mavuso
6	Access roads	Access roads	Ezibayini		NP Mavuso
6	Access roads	Access roads	Kumgwandlu		NP Mavuso

Ward	Project	Project Type	Area	Priority Number	Councillor
6	Access roads	Access roads	Okhetheni		NP Mavuso
6	Access roads	Access roads	Kumafindose		NP Mavuso
6	Access roads	Access roads	Kutobakayishi		NP Mavuso
6	Access roads	Access roads	Endakhane		NP Mavuso
6	Sports Field	Sports	Tharraeo		NP Mavuso
6	Sports Field	Sports	Kwankundla		NP Mavuso
6	Sports Field	Sports	Klipwal		NP Mavuso
6	Sports Field	Sports	Emabovu		NP Mavuso
6	Sports Field	Sports	Manzabovu		NP Mavuso
6	Sports Field	Sports	Thusozane		NP Mavuso
6	Sports Field	Sports	Altona		NP Mavuso
6	Sports Field	Sports	Kumgwandla		NP Mavuso
6	Sports Field	Sports	Kumagqanda		NP Mavuso
6	Sports Field	Sports	Hanafu		NP Mavuso
6	Community Hall	Community Hall	Manazabovu		NP Mavuso
6	Community Hall	Community Hall	Klipwal		NP Mavuso
6	Community Hall	Community Hall	Okhetheni		NP Mavuso
6	Community Hall	Community Hall	Altona		NP Mavuso
6	Community Hall	Community Hall	Kortnek		NP Mavuso
6	320km Fencing	Renewal of stock camps	Kwankundla		NP Mavuso
6	450km Fencing	Renewal of stock camps	Klipwal		NP Mavuso
6	220m Fencing	Renewal of stock	Manazabovu		NP Mavuso

Ward	Project	Project Type	Area	Priority Number	Councillor
		camps			
6	330km Fencing	Renewal of stock camps	Kortnek		NP Mavuso
6	215km Fencing	Renewal of stock camps	Kumagqanda		NP Mavuso
6	120km Fencing	Renewal of stock camps	Kumbhuncu		NP Mavuso
6	100km Fencing	Renewal of stock camps	Mafindose		NP Mavuso
6	200km Fencing	Renewal of stock camps	Ezibayeni		NP Mavuso
6	330km Fencing	Renewal of stock camps	Esigwenueni		NP Mavuso
6	2000 Houses	RDP houses	Klipwal		NP Mavuso
6	330 Houses	RDP houses	Mkosensha		NP Mavuso
6	RDP houses	RDP houses	Kortnek		NP Mavuso
6	RDP houses	RDP houses	Manzabovu		NP Mavuso
6	RDP houses	RDP houses	Altona		NP Mavuso
6	Pension Pay point centres	Pension Pay point centres	Altona		NP Mavuso
6	Pension Pay point centres	Pension Pay point centres	Klipwal		NP Mavuso
6	Pension Pay point centres	Pension Pay point centres	Kortnek		NP Mavuso
6	Pension Pay point centres	Pension Pay point centres	Kwankundla		NP Mavuso
6	Crèches	Crèches	Manzabovu		NP Mavuso

Ward	Project	Project Type	Area	Priority Number	Councillor
6	Crèches	Crèches	Kortnek		NP Mavuso
6	Crèches	Crèches	Altona		NP Mavuso
6	Crèches	Crèches	Kumbhuncu		NP Mavuso
6	Crèches	Crèches	Thusazama		NP Mavuso
6	Sustainable projects	Sustainable projects	Block making		NP Mavuso
6	Sustainable projects	Sustainable projects	Agricultural projects		NP Mavuso
6	Youth skills Centre	Youth skills Centre	Nkosentsha		NP Mavuso
6	Youth skills Centre	Youth skills Centre	Altona		NP Mavuso
6	Sustainable projects	Sustainable projects	Poultry Projects		NP Mavuso

E 5.8. Ward 7.

Ward	Project	Project Type	Area	Priority Number	Councillor
7	Water Supply	Water Supply	All areas		MP Khumalo
7	Pension and grant pay point	Infrastructure	Sivule		MP Khumalo
7	Pension and grant pay point	Infrastructure	Kwalubisi		MP Khumalo
7	Crèche	Infrastructure	Mvelazitha		MP Khumalo
7	Crèche	Infrastructure	Magombe		MP Khumalo

Ward	Project	Project Type	Area	Priority Number	Councillor
7	Crèche	Infrastructure	Sivule		MP Khumalo
7	Crèche	Infrastructure	Kwabhembe, Sidakeni		MP Khumalo
7	Private crèche	Infrastructure	Thandukukhanya		MP Khumalo
7	Multi sports ground	Infrastructure	Soccer ground		MP Khumalo
7	Multi sports ground	Infrastructure	Racing tracks		MP Khumalo
7	Multi sports ground	Infrastructure	Green grass		MP Khumalo
7	Multi sports ground	Infrastructure	Change rooms		MP Khumalo
7	Multi sports ground	Infrastructure	Flusing toilets		MP Khumalo
7	Grading of soccer grounds	Infrastructure	Sivule		MP Khumalo
7	Grading of soccer grounds	Infrastructure	Magombe		MP Khumalo
7	Grading of soccer grounds	Infrastructure	Madhibhini		MP Khumalo
7	Grading of soccer grounds	Infrastructure	Kwabhembe		MP Khumalo
7	Grading of soccer grounds	Infrastructure	eSidakheni		MP Khumalo
7	Housing Projects	Infrastructure	All ten areas		MP Khumalo
7	Solar systems	Infrastructure	All ten areas		MP Khumalo
7	Renovation of community hall	Infrastructure	Fencing		MP Khumalo
7	Renovation of community hall	Infrastructure	Doors and windows		MP Khumalo

Ward	Project	Project Type	Area	Priority Number	Councillor
7	Renovation of community hall	Infrastructure	Flushing toilets		MP Khumalo
7	Renovation of community hall	Infrastructure	Maintenance worker		MP Khumalo
7	3G network	Infrastructure			MP Khumalo
7	Youth Information centre with internet systems	Infrastructure			MP Khumalo
7	Gravelled access roads	Infrastructure	All ten areas		MP Khumalo
7	Cemetery fencing and water taps	Infrastructure	Mvelazitha		MP Khumalo
7	Cemetery fencing and water taps	Infrastructure	Kwalubisi		MP Khumalo
7	Cemetery fencing and water taps	Infrastructure	Kwabhembe		MP Khumalo
7	Electricity project	Infrastructure	All ten areas		MP Khumalo
7	New water piping systems	Infrastructure	All ten areas		MP Khumalo
7	Clinic	Infrastructure	Kwalubisi		MP Khumalo
7	Art and craft market centre	Art and craft market centre	Kwalubisi		MP Khumalo
7	School for disabled kids	School for disabled kids	Kwalubisi		MP Khumalo
7	Administration block	Administration block	Tholulwazi		MP Khumalo
7	Administration block	Administration block	Sivule P.School		MP Khumalo
7	Administration block	Administration block	Buhlebuzile		MP Khumalo

Ward	Project	Project Type	Area	Priority Number	Councillor
7	Toilets	Toilets	Sizakahle P. School		MP Khumalo
7	Toilets	Toilets	Sivule P. School		MP Khumalo
7	Bulk Housing	Bulk Housing	Kwalubisi		MP Khumalo
7	Community library	Community library	Kwalubisi		MP Khumalo
7	Netball ground	Netball ground	Kwalubisi		MP Khumalo
7	Tennis court	Tennis court	Kwalubisi		MP Khumalo
7	Park	Park	Thandukuhanya		MP Khumalo
7	School for skills training	School for skills training	Thandukuhanya		MP Khumalo
7	Community hall	Community hall	Sivule		MP Khumalo
7	Tourism project	Tourism project	Kwa Mazana		MP Khumalo
7	Shopping centre	Shopping centre	Kwalubisi		MP Khumalo
7	Private hospital	Private hospital	Kwalubisi		MP Khumalo
7	Filling station	Filling station	Kwalubisi		MP Khumalo
7	Agricultural projects	Agricultural projects	Kwalubisi		MP Khumalo
7	RDP houses	Housing	In all wards		MP Khumalo
7	Spring water protection		Magombe		MP Khumalo
7	Instalation of high masss lights		Thandukukanya, Lubisi, Kwabhembe, Mvelazitha		MP Khumalo
7	Grazing field fencing	Farming	Sivule, Magombe, Mvelazitha		MP Khumalo
7	Storm water management	infrastructure	In all wards		MP Khumalo
7	Solar heating	infrastructure	In all wards		MP Khumalo

E 5.9. Ward 8.

Ward	Project	Project Type	Area	Priority Number	Councillor
8	Community Clinic	Community Clinic	Phondwane		MC Nkumane
8	Community Clinic	Community Clinic	Bhembe		MC Nkumane
8	Community High School	Community High School	Ngwabi		MC Nkumane
8	Community district road	Community district road	Nbangweni- Mdanini		MC Nkumane
8	Sports fields	Sports fields	oPhondwane		MC Nkumane
8	Sports fields	Sports fields	Kwamafela		MC Nkumane
8	Sports fields	Sports fields	Mzinsangu		MC Nkumane
8	Sports fields	Sports fields	Kwabhembe		NC Nkumane
8	Sports fields	Sports fields	Ejordan		NC Nkumane
8	Sports fields	Sports fields	Embangweni		NC Nkumane
8	Sports fields	Sports fields	eNgwabi		NC Nkumane
8	Sports fields	Sports fields	Kwashoba		NC Nkumane
8	D-Road bridge	D-Road bridge	Ngwabi		NC Nkumane
8	Alien plant eradication	Alien plant eradication	Kwabhembe		NC Nkumane
8	Alien plant eradication	Alien plant eradication	Mzinsangu		NC Nkumane
8	Crèches	Crèches	Mzinsangu		NC Nkumane
8	Crèches	Crèches	Phondwane		NC Nkumane
8	Crèches	Crèches	Mafela		NC Nkumane
8	Crèches	Crèches	Hhohho		NC Nkumane
8	Crèches	Crèches	Jordan		NC Nkumane
8	Community spring water protection and purification	Community spring water protection and purification	Kwashoba		NC Nkumane
8	Community	Community	Kwabhembe		NC Nkumane

Ward	Project	Project Type	Area	Priority Number	Councillor
	spring water protection and purification	spring water protection and purification			

E 5.10 .Ward 9.

Ward	Project	Project Type	Area	Priority Number	Councillor
9	2 Pre schools	Pre school	Kwesenkheli		SR Simelane
..9	2 pre schools	Pre school	Qwaqwa		SR Simelane
9	1 Clinic	Clinic	Madanyini		SR Simelane
9	1 Clinic	Clinic	Mbhekwa		SR Simelane
9	Sportsfield	Sports field	Madanyini		SR Simelane
9	20km access road	Access road	Ward 9		SR Simelane
9	100km fencing	Grazing field fencing	Ward 9		SR Simelane
9	15km access road	Access road	Ward 9		SR Simelane
9	2050 Houses	RDP houses	Ward 9		SR Simelane
9	Community Hall	Community Hall	Madanyini		SR Simelane
9	Market stalls along N2	Market stalls along N2	Madanyini		SR Simelane
9	Fencing of garden	Fencing of garden	Mphafeni		SR Simelane
9	Fencing of garden	Fencing of garden	Madinyini		SR Simelane
9	Fencing of garden	Fencing of garden	Msuzwaneni		SR Simelane

Ward	Project	Project Type	Area	Priority Number	Councillor
9	15km access road	Access roads	Kwantshiliba		SR Simelane
9	15km access road	Access roads	Qwaqwa		SR Simelane
9	250 Households	Electricity	Qwaqwa		SR Simelane
9		Internet café	In one of the ZDM Water offices		SR Simelane
9	2 Pre schools	Pre schools	Mbhekwa		SR Simelane
9	2 pre schools	Pre schools	Mgurra		SR Simelane
9	2 graveyards	Fencing of two graveyards	Mgurra		SR Simelane
9	2 graveyards	Fencing of two graveyards	Madanyini		SR Simelane
9	Blocks and bricks making projects	Blocks and bricks making projects	Mphafeni		SR Simelane

E 5.11. Ward 10.

Ward	Project	Project Type	Area	Priority Number	Councillor
10	4 Installations	Installation of high mass lights	Mboloba		HV Ngcamphalala
10	4 Installations	Installation of high mass lights	Esigugwini		HV Ngcamphalala
10	recreational park facilities	recreational park facilities	Ncotshane		HV Ngcamphalala
10	250 toilets	Toilets/sanitation	Mboloba		HV Ngcamphalala
10	200 toilets	Toilets/sanitation	Esigugwini		HV Ngcamphalala
10	Tarring/surfacing of roads	Tarring/surfacing of roads	Ncotshane		HV Ngcamphalala
10	Housing project	Housing project	Ncotshane		HV Ngcamphalala
10	Water Borne sanitation	Water Borne sanitation	Ncotshane		HV Ngcamphalala
10	200 houses	Rural housing projects	Mboloba		HV Ngcamphalala
10	150 Houses	Rural housing projects	Esigugwini		HV Ngcamphalala
10	20 Bus stop shelters	Bus stop shelter	Ncotshane		HV Ngcamphalala
10	Speed humps	Speed humps	Ncotshane		HV Ngcamphalala
10	Storm water Management system	Storm water Management system	Ncotshane		HV Ngcamphalala
10	Access roads	Access roads	Mboloba, Esigugwini		HV Ngcamphalala
10	Cell network aerial to boost reception	Cell network aerial to boost reception	Mboloba		HV Ngcamphalala
10	Naming of streets	Renaming of streets	Ncotshane		HV Ngcamphalala
10	Construction of modern sports field	Construction of modern sports field	Ncontshane		HV Ngcamphalala
10	Construction of pedestrian walkway	Construction of pedestrian walkway	Main road		HV Ngcamphalala
10	Installation of	Installation of street	Ncotshane		HV Ngcamphalala

Ward	Project	Project Type	Area	Priority Number	Councillor
	street lights	lights			
10	Construction of petrol station	Construction of petrol station	Ncotshane		HV Ngcamphalala
10	Electrification of outstanding sections	Electrification of outstanding sections	Ncotshane		HV Ngcamphalala
10	Electrification of outstanding sections	Electrification of outstanding sections	Mboloba, Esigugwini		HV Ngcamphalala
10	Construction of satellite police station	Construction of satellite police station	Ncotshane		HV Ngcamphalala
10	Construction of FET college	Construction of FET college	Phongola		HV Ngcamphalala
10	Construction of toilets for each household	Construction of toilets for each household	Mboloba		HV Ngcamphalala
10	Cemetery fencing	Cemetery fencing	Ncotshane		HV Ngcamphalala
10	Cemetery public toilets	Cemetery public toilets	Ncotshane		HV Ngcamphalala
10	Creche	Infrastructure	Mboloba		HV Ngcamphalala
10	Creche	Infrastructure	Esigugwini		HV Ngcamphalala

E 5.12. Ward 11

Ward	Project	Project Type	Area	Priority Number	Councillor
11	Electrification	infrastructure	Mavithi	1	Z.L. N xumalo
11	Commuinty Hall	infrastructure	Ntshiyangibone	2	Z.L. N xumalo
11	Sports field	infrastructure	Ntshiyangibone	3	Z.L. N xumalo
11	RDP housing	infrastructure	500 Esigungwini, 500 Mavithi	4	Z.L. N xumalo
11	RDP housing	infrastructure	500 Ntshiyangibone	5	Z.L. N xumalo

Ward	Project	Project Type	Area	Priority Number	Councillor
11	Access Roads	infrastructure	Ntshiyangibone, Mavithi and Esigungwini	6	Z.L. N xumalo
11	Creche	infrastructure	Esigungwini	7	Z.L. N xumalo
11	Tar surface	infrastructure	Pongola town	8	Z.L. N xumalo
11	Fencing cemetry	infrastructure	Esigungwini	9	Z.L. N xumalo

E 5.13. Ward 12

Ward	Project	Project Type	Area	Priority Number	Councillor
12	Sports field	infrastructure	All subwards	1	M.S Mtungwa
12	Community hall	infrastructure	Ntuthuto	2	M.S Mtungwa
12	Community hall	infrastructure	Manyandini	3	M.S Mtungwa
12	Community hall	infrastructure	Waterbus	4	M.S Mtungwa
12	Community Hall	infrastructure	Gabela	5	M.S Mtungwa
12	Access roads	infrastructure	All Voting Districts	6	M.S Mtungwa
12	Cross over bridge	infrastructure	Mthunjini	7	M.S Mtungwa
12	Cross over bridge	infrastructure	Phesheya Kodonga	8	M.S Mtungwa
12	Cross over bridge	infrastructure	Makhwabe to Msholoto	9	M.S Mtungwa
12	Pension payout	infrastructure	Highlands Ntuthuko	10	M.S Mtungwa
12	Pension payout	infrastructure	Waterbus	11	M.S Mtungwa
12	creche	infrastructure	Waterbus	12	M.S Mtungwa
12	creche	infrastructure	Mshololo	13	M.S Mtungwa
12	Creche	infrastructure	Makhwabi	14	M.S Mtungwa

Ward	Project	Project Type	Area	Priority Number	Councillor
12	Creche		Manyandini	15	M.S Mtungwa
12	Creche		Gabele	16	M.S Mtungwa

E 5.14. Ward 13.

Ward	Project	Project Type	Area	Priority Number	Councillor
13	Water reservoir	Water	Emkhwakhweni	1	D Nyawo
13	Access roads	Road infrastructure	Whole ward	2	D Nyawo
13	Toilets	infrastructure	Whole ward	3	D Nyawo
13	RDP houses	infrastructure	Whole ward	4	D Nyawo
13	Electricity infills	infrastructure	Whole ward	5	D Nyawo
13	High mast lights	infrastructure	Whole ward	6	D Nyawo
13	Sport ground	infrastructure	Whole ward	7	D Nyawo
13	Cell phone booster	infrastructure	Whole ward	8	D Nyawo
13	Fencing	infrastructure	eMhusulu cemetery	9	D Nyawo
13	Cattle grazing camp frencing	farming	eMhusulu, eMaqenqeni, Emkhwakhweni Decvile	11	D Nyawo
13	Creche	infrastructure		12	D Nyawo
13	Pedestrian bridges	Pedestrian bridges	eMhusulu	13	D Nyawo
13	Pedestrian bridges	Pedestrian bridges	Enqedle	14	D Nyawo
13	Car Bridge	Car Bridge	Mhushulu	15	D Nyawo
13	Community Hall	Community Hall		16	D Nyawo
13	Irrigation	Irrigation	Emkhwakhweni	17	D Nyawo

Ward	Project	Project Type	Area	Priority Number	Councillor
	scheme	scheme			
13	Irrigation scheme	Irrigation scheme	eMaqenqeni	18	D Nyawo
13	Sport field	Sports grounds maintenance	eMhusulu	19	D Nyawo
13	Sport field	Sports grounds maintenance	Emkhwakhweni		D Nyawo
13	Sport field	Sports grounds maintenance	eMaqenqeni		D Nyawo

E 5.15. Ward 13.

Ward	Project	Project Type	Area	Priority Number	Councillor
14	Clinic	infrastructure	Cottlands area	1	N.T Gumbi
14	Sports field	infrastructure	Zonyama,Candover, Cottlands, Pieter gate	2	N.T Gumbi
14	Sports field	infrastructure	Mvanyana, Makhothi	3	N.T Gumbi
14	Community hall	infrastructure	Candover,Zonyama and Piter gate	4	N.T Gumbi
14	Access roads	infrastructure	Mtikini/Makhothi	5	N.T Gumbi
14	Access roads	infrastructure	Skhukhumuka	6	N.T Gumbi
14	Access roads	infrastructure	Cotlands	7	N.T Gumbi
14	Access roads	infrastructure	Hlambanyathi	8	N.T Gumbi
14	RDP Houses	infrastructure	Candover, Hlambanyathi	9	N.T Gumbi
14	RDP Houses	infrastructure	Mahlanguzi	10	N.T Gumbi
14	RDP Houses	infrastructure	Zonyama	12	N.T Gumbi
14	Creche	infrastructure	Candover, Hlambanyathi, Bethal, Mtikini		N.T Gumbi
14	High School	infrastructure	Candover, Pitergate		N.T Gumbi
14	RDP Houses	infrastructure	Cotlands	13	N.T Gumbi
14	RDP Houses	infrastructure	Makhothi	14	N.T Gumbi
14	Cattle grazing	Farming	Zonyama, Bethal, Cotlands, Hlambanyathi	15	N.T Gumbi
14	Cattle grazing	Farming	Kwasosha	16	N.T Gumbi
14	Filling station	infrastructure	Candover	17	N.T Gumbi
14	Agriculture projects	Farming	All subwards	18	N.T Gumbi
14	Tourism Project	Tourism	Mahlanguzi	19	N.T Gumbi

14	Market stalls along N2	infrastructure	All subwards	20	N.T Gumbi
14	Toilets	infrastructure	Candover	21	N.T Gumbi

F. Financial Plan

F1. MUNICIPAL BUDGET OVERVIEW

The year 2013/14 has been challenging and very demanding but due to the emphasis on cost control and the introduction of austerity measures this has somewhat assisted the municipality to reduce the adverse impact of the slow economic recovery.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

National Treasury's MFMA Circulars No. 70 and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents.
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and
- Availability of affordable capital/borrowing.
- Implementation of a new valuation roll as from 1 July 2014.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;

- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 MTREF

Summary Statement of Financial Performance				
Description	**Adjustment Budget 2013/14**	**Budget Year 2014/15**	**Budget Year 2015/16**	**Budget Year 2016/17**
Total Operating Revenue	(132,061,290)	(150,583,861)	(171,379,703)	(176,845,176)
Total Operating Expenditure	129,868,290	143 251,911	169,671,703	176,837,176
SURPLUS/(DEFICIT)	**2,375,000**	**7 331 950**	**1 708,000**	**8,000**
Total Capital Expenditure	**65,735,750**	**56,335,950**	**45,247,000**	**46,761,000**

Total operating revenue has grown from R132,1 million to R150,6 million or by 14 per cent for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 13.8 and 3.2 per cent respectively, equating to a total revenue growth of R26,262 million over the MTREF when compared to the 2014/15 financial year.

Total operating expenditure for the 2014/15 financial year has been appropriated at R143,2 million and translates into a budgeted surplus of R7,3 million before recognising capital expenditure. When compared to the 2013/14 Adjustments Budget, operational expenditure has grown by 10.3 per cent in the 2014/15 budget and by 18.4 and 4.2 per cent for each of the respective outer years of the MTREF.

The capital budget of R56,3 million for 2014/15 is 6.8 per cent less when compared to the 2013/14 Adjustment Budget. The increase in 2013/14 was attributable to an amount of R12.2 million in respect of unspent capital conditional grants which was rolled-over to 2012/13. The decrease is due to the acute demand for both road and electricity infrastructure in the municipal

area. The capital programme decreases to R45,2 million in the 2015/16 financial year and then evens out in 2016/17 to R46,8 million. A substantial portion of the capital budget will be funded from conditional grants over MTREF. Borrowing will contribute 18.1 per cent of capital expenditure in 2014/15 when government grants and transfers are excluded. For the two outer years of the MTREF, the capital programme will be financed mostly from government grants and transfers. The balance will be funded from internally generated funds. It should be noted that the Municipality's has not yet reached its prudential borrowing limits and so there is room to substantially increase these borrowing levels over the medium-term.

1.1 Operating Revenue Framework

For Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue and cash management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 77 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source										
Property rates	10 255	10 952	14 051	13 837	17 797	17 797	17 797	23 064	24 425	25 768
Property rates - penalties & collection charges	–	–	–	–	–			–	–	–
Service charges - electricity revenue	14 689	18 309	23 366	23 868	24 273	24 273	24 273	26 529	27 604	29 123
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	4 755	4 925	5 419	5 617	6 389	6 389	6 389	6 785	7 185	7 580
Service charges - other	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	437	416	578	869	1 308	1 308	1 308	1 390	1 471	1 552
Interest earned - external investments	909	1 069	1 043	1 314	1 377	1 377	1 377	1 762	1 548	1 633
Interest earned - outstanding debtors	3 212	2 797	3 282	3 370	3 602	3 602	3 602	3 826	4 051	4 274
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines	40	–	692	374	374	374	374	398	421	444
Licences and permits	2 986	3 163	2 143	2 315	2 294	2 294	2 294	2 436	2 580	2 722
Agency services	132	116	706	680	680	680	680	722	764	806
Transfers recognised - operational	47 433	57 611	66 486	72 388	73 197	73 197	73 197	82 855	100 462	102 027
Other revenue	308	849	1 251	1 339	771	771	771	819	867	915
Gains on disposal of PPE	2 397	17	101	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**87 553**	**100 222**	**119 118**	**125 970**	**132 061**	**132 061**	**132 061**	**150 584**	**171 380**	**176 845**

Table 3 Percentage growth in revenue by main revenue source

Description	Current year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Revenue By Source								
Property rates	17 797	13.5%	23 064	15.3%	24 425	14.3%	25 768	14.5%
Property rates - penalties & collection charges	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Service charges - electricity revenue	24 273	18.4%	26 529	17.6%	27 604	16.1%	29 123	16.4%
Service charges - water revenue	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Service charges - sanitation revenue	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Service charges - refuse revenue	6 389	4.8%	6 785	4.5%	7 185	4.2%	7 580	4.3%
Service charges - other	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Rental of facilities and equipment	1 308	1.0%	1 390	0.9%	1 471	0.9%	1 552	0.9%
Interest earned - external investments	1 377	1.0%	1 762	1.2%	1 548	0.9%	1 633	0.9%
Interest earned - outstanding debtors	3 602	2.7%	3 826	2.5%	4 051	2.4%	4 274	2.4%
Dividends received	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Fines	374	0.3%	398	0.3%	421	0.2%	444	0.3%
Licences and permits	2 294	1.7%	2 436	1.6%	2 580	1.5%	2 722	1.5%
Agency services	680	0.5%	722	0.5%	764	0.4%	1 186	0.7%
Transfers recognised - operational	73 197	55.4%	82 855	55.0%	100 462	58.6%	102 027	57.6%
Other revenue	771	0.6%	819	0.5%	867	0.5%	915	0.5%
Gains on disposal of PPE	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Total Revenue (excluding capital transfers and contributions)	**132 061**	**100%**	**150 584**	**100%**	**171 380**	**100%**	**177 224**	**100%**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Operational Transfers recognised constitutes a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise a third of the total revenue mix. In the 2013/14 financial year, revenue from rates and services charges totalled R48,5 million or 24.2 per cent. This increases to R56,4 million, R59,2 million and R62,5 million in the respective financial years of the MTREF. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 56 MBRR SA1 (see page 98).

Electricity revenue amounts to 17.6 per cent or R26,5 million and increases to R29,1 million by 2016/17. The revenue from property rates totals R23.1 million or 15.3 percent of total budgeted operation revenue in 2014/15 and increases to R25,8 million by 2016/17.

Operating grants and transfers totals R73,2 million in the 2012/13 financial year and decreases to R72,388 million by 2014/15. The decrease is attributable to the roll-over of unspent conditional grants in 2013/14 which substantially increased revenue recognised from capital expenditure. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**45 824**	**55 112**	**63 086**	**69 929**	**823**	**70 752**	**81 553**	**99 247**	**100 533**
Local Government Equitable Share	43 874	52 612	59 786	66 389		66 389	76 982	96 330	97 415
Finance Management	1 200	1 500	1 500	1 650		1 650	1 800	1 950	2 100
Municipal Systems Improvement	750	1 000	800	890		890	934	967	1 018
Expanded Public Works Programme Integrated	–	–	1 000	1 000	823	1 823	1 837	–	–
Provincial Government:	**–**	**402**	**946**	**1 225**	**434**	**1 520**	**1 202**	**1 115**	**1 394**
Community Library Services	–	–	106	139	125	125	132	138	365
Provincialisation of Libraries	–	402	440	886		886	920	977	1 029
Maintenance of Sports Facility	–	–	–	–	–	–	150	–	–
Thusong Centre			400	–	309	309	–	–	–
IDP - Public Participation	–	–	–	200		200	–	–	–
District Municipality:	**50**	**50**	**100**	**50**	**–**	**50**	**100**	**100**	**100**
ZDM Subsidy	50	50	100	50		50	100	100	100
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Operating Transfers and Grants	**45 874**	**55 564**	**64 132**	**71 204**	**1 257**	**72 322**	**82 855**	**100 462**	**102 027**

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target as excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom bulk tariff is far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency

gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R45 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum total rebate of 20 per cent will be granted to owners of rate-able property. In this regard the following stipulations are relevant:
    - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
    - The owner must be living permanently on the property.
    - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
    - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

Table 5 Comparison of proposed rates to levied for the 2014/15 financial year

Category	Current Tariff (1 July 2014)	Proposed tariff (from 1 July 2013)
	R	R
Residential Properties	0.012010	0.011309
State owned Properties	0.024020	0.014137
Business, Commercial & Industrial Properties	0.024020	0.014137
Agricultural Properties	0.003003	0.002828
Vacant Land	0.03630	0.014137
Public Service Infrastructure	0.003003	0.014137
Rural Communal Land	0.024020	0.014137
Special Non-market Properties	0.024020	0.014137

1.1.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. The new increased tariff of 7.39 per cent in bulk electricity to municipalities will be effective from 1 July 2014.

Considering the Eskom increases, the consumer tariff had to be increased by 7.39 per cent to offset the additional bulk purchase cost from 1 July 2014. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge based on the new 7.39 per cent tariff.

The following table shows the impact of the proposed increases in the electricity tariffs on domestic consumers:

Table 6 Comparison between current electricity charges and increases

Category	Current Tariffs	Proposed Tariffs	Change
Low Consumers (0-400 kWh):			
- Basic	0	0	7.39%
- Plus	0.98	1.05	7.39%
High Consumers (401 – 1000 kWh)			
Developed stands			
- Basic			
- Plus	217.04	233.08	7.39%
Undeveloped stands	0.91	0.98	7.39%
- Basic	114.42	122.9	7.39%
- Plus	0.91	0.98	7.39%
Above 1000 kWh	0.91	0.98	7.39%

On 24 February 2010, the National Energy Regulator (NERSA) approved the implementation of Inclined Block Tariffs (IBT) in order to provide for cross-subsidies for low income domestic customers. The feature of the IBT is that the customers are charged at higher rates as their consumption increases. UPhongolo Municipality will not implement the Inclining Block Tariff Structure as it does not have low income domestic customers in town.

The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. It is therefore proposed that the taking up of loans as a strategy for funding of the infrastructure be considered and approved to spread the burden over the life span of the assets. As part of the 2014/15 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

1.1.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is outsourced and operating at a modest surplus. It is widely accepted that the rendering of this service should at least break even. The contractors engaged to clean the town have operational challenges which affect the cleanliness of the town. It is therefore proposed that the taking up of loans as a strategy for funding of the waste management machinery and equipment be considered and approved to spread the burden over the life span of the assets. As part of the 2014/15 medium-term capital programme, funding has been allocated to waste management department.

A 5.6 per cent increase in the waste removal tariff is proposed from 1 July 2014. Higher increases will not be viable in 2014/15 owing to the overall impact of higher than inflation increases of other services. Any increase higher than 6.2 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2014:

Table 7 Comparison between current waste removal fees and increases

	Current Tariffs 2013/14	Proposed Tariffs 2014/15
	R	R
BELGRADE		
Residential Dwellings	114.50	121.60
Businesses	152.67	162.14
Government & Other Departments	152.67	162.14
URBAN		
Residential and Departmental – twice per week	107.76	114.44
Businesses: Bulk Business - Small – cage - Medium – cage - Large – cage Per bin per month – removed daily Business at central point – removed daily	 355.62 829.78 1,422.48 161.22 1,422.49	 377.67 880.16 1510.67 171.22 1510.67
Garden refuse – residential per meter load or part thereof	113.79	120.84
Business waste removal	201.52	214.01
Building Rubble: Cost plus 10% per meter load or part thereof		
ITSHELEJUBA		
Applicable removal cost of contractor + 10% escalation		

1.1.4 *Overall impact of tariff increases on households*

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 8 MBRR Table SA14 – Household bills

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure			
	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year	Budget Year
Rand/cent							% incr.			
'Middle Income Range'										
Rates and services charges:										
Property rates	1 838	1 938	2 187	2 160	2 160	2 160	6.2	2 299	2 429	2 563
Electricity: Basic levy	208	219	230	247	247	247	7.4	265	285	306
Electricity: Consumption	1 599	1 686	1 621	1 904	1 904	1 904	6.2	2 022	2 141	2 259
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal	111	117	123	130	130	130	6.2	138	146	154
Other										
sub-total	**3 756**	**3 960**	**4 161**	**4 441**	**4 441**	**4 441**		**4 724**	**5 001**	**5 282**
VAT on Services	269	283	276	319	319	319	–	340	360	380
Total large household bill:	**4 025**	**4 243**	**4 437**	**4 760**	**4 760**	**4 760**		**5 064**	**5 361**	**5 662**
% increase/-decrease		**5.4%**	**4.6%**	**7.3%**	**0.0%**	**0.0%**		**6.4%**	**5.9%**	**5.6%**
'Affordable Range'										
Rates and services charges:										
Property rates	1 238	1 305	1 382	1 452	1 452	1 452	6.2	1 542	1 633	1 723
Electricity: Basic levy	208	219	230	247	247	247	7.4	265	285	306
Electricity: Consumption	1 048	1 104	1 169	1 245	1 245	1 245	6.2	1 322	1 400	1 477
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal	111	117	123	130	130	130	6.2	138	146	154
Other										
sub-total	**2 605**	**2 745**	**2 904**	**3 074**	**3 074**	**3 074**		**3 267**	**3 464**	**3 660**
VAT on Services	191	202	213	227	227	227		242	256	271
Total small household bill:	**2 796**	**2 947**	**3 117**	**3 301**	**3 301**	**3 301**		**3 509**	**3 720**	**3 931**
% increase/-decrease		**5.4%**	**5.8%**	**5.9%**	**0.0%**	**0.0%**		**6.3%**	**6.0%**	**5.7%**
			0	0	(1)	–				
'Indigent' Household receiving free										
Rates and services charges:										
Property rates	154	162	172	180	180	180	6.2	191	202	214
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal	111	117	230	130	130	130	6.2	138	146	154
Other										
sub-total	**265**	**279**	**402**	**310**	**310**	**310**		**329**	**348**	**368**
VAT on Services	16	16	56	43	43	43	–	46	49	52
Total small household bill:	**281**	**295**	**458**	**353**	**353**	**353**		**375**	**397**	**420**
% increase/-decrease		**5.0%**	**55.3%**	**-22.9%**	**0.0%**	**0.0%**		**6.2%**	**5.9%**	**5.8%**

1.2 Operating Expenditure Framework

The Municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

Table 9 Summary of operating expenditure by standard classification item

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type										
Employee related costs	26 649	27 832	33 774	35 555	37 526	37 526	37 526	45 665	48 577	51 665
Remuneration of councillors	4 220	4 549	5 997	6 880	7 041	7 041	7 041	7 393	7 762	8 150
Debt impairment	17 560	24 526	2 537	1 369	1 369	1 369	1 369	1 454	1 540	1 625
Depreciation & asset impairment	2 718	2 974	4 372	3 823	3 823	3 823	3 823	4 536	5 441	6 376
Finance charges	399	752	765	1 339	405	405	405	970	571	604
Bulk purchases	12 796	15 617	19 039	20 925	21 561	21 561	21 561	23 299	24 673	26 030
Other materials	–	–	–	–	–	–	–	8 978	15 645	13 960
Contracted services	7 773	6 237	9 157	10 010	10 768	10 768	10 768	10 974	12 111	12 777
Transfers and grants	–	2 190	2 691	2 400	3 634	3 634	3 634	2 810	7 976	8 415
Other expenditure	16 926	17 414	18 230	37 256	35 318	35 318	35 318	37 174	45 376	47 236
Loss on disposal of PPE	1 830	1 333	–	–	–	–	–	–	–	–
Total Expenditure	**90 871**	**103 424**	**96 561**	**119 558**	**121 445**	**121 445**	**121 445**	**143 252**	**169 672**	**176 837**

The budgeted allocation for employee related costs for the 2014/15 financial year totals R45,7 million, which equals 31.9 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.79 per cent for the 2014/15 MTREF. An annual increase of 6.4 and 5.4 per cent respectively has been included in the two outer years of the MTREF. In addition expenditure against overtime was significantly reduced to within 5 per cent of the total salary bill.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The proclamation of 29 January 2014 in the

Government Gazette No. 37281 in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 77 per cent and the Debt Write-off Policy of the Municipality. For the 2014/15 financial year this amount equates to R1,5 million and escalates to R1,6 million by 2016/17. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation, amortisation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R4,1 million for the 2014/15 financial and equates to 2.8 per cent of the total operating expenditure. Provision for the rehabilitation of the landfill site has been adjusted upwards by 6 per cent (inflation rate) since there have been no changes since the last valuation.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.7 per cent (R970,152 thousand) of operating expenditure and decrease to R603,832 thousand by 2016/17. The Municipality has not yet reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it decreases to 0.03 per cent of total operating expenditure by 2016/17.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increase of 7.39 per cent over the 2014/15 MTREF has been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Contracted services has been identified as a cost saving area for the Municipality. As part of the compilation of the 2014/15 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2013/14 financial year, this group of expenditure totals R10.8 million and has escalated by 1.9 per cent to R10,7 million in 2014/15. A portion of this expenditure relates to Expanded Public Works Programme (EPWP) one-year projects which address a call by National Government to all municipalities to create jobs in response to the National Development Plan (NDP). As part of the process of identifying further cost efficiencies, the significant portion of the refuse removal will be undertaken by the municipality and will be labour intensive, thus creating more jobs for the unemployed. Further details relating to contracted services can be seen in Table 56 MBRR SA1 (see page 98).

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 5.3 per cent for 2014/15 and curbed at 5.9 and 4.1 per cent for the two outer years respectively. Further details relating to other expenditure can be seen in Table 56 MBRR SA1 (see page 98).

The following table gives a breakdown of the main expenditure categories for the 2014/15 financial year.

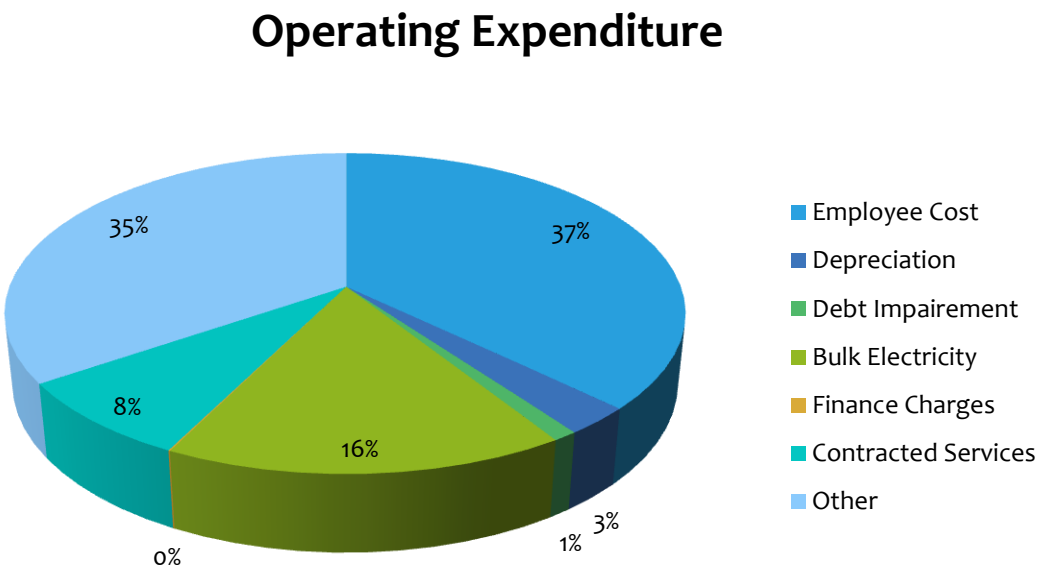


Figure 1 Main operational expenditure categories for the 2014/15 financial year

1.2.1 *Priority given to repairs and maintenance*

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2014/15 budget and MTREF provide for extensive growth in the area of asset maintenance as informed by the repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 10 Operational repairs and maintenance

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Repairs and Maintenance by Expenditure Item										
Employee related costs	1 605	2 157	2 443	2 196	4 770	4 770	1 963	2 968	3 216	3 422
Other materials	1 820	1 198	5 491	8 311	8 242	8 242	8 242	8 978	15 645	13 960
Contracted Services	116	1 397	448	326	559	559	559	594	629	663
Other Expenditure	–	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	3 541	4 751	8 382	10 833	13 571	13 571	10 764	12 540	19 490	18 045

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure. During the 2012/13 Adjustments Budget this allocation was adjusted upwards from R10,8 million to R13,6 million. However, due to the cash flow constraints faced by the Municipality, the repairs and maintenance budget has been reduced to R10.8 million in 2014/15 and steadily increasing to R18 million by 2016/17. Notwithstanding this reduction, as part of the 2014/15 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2014/15 excluding salaries and wages equates to 7.97 per cent in relation to the operating expenditure budget and flattens around 7 per cent in the two outer years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 11 Repairs and maintenance per asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and Maintenance by Asset Class										
Infrastructure - Road transport	1 752	2 221	6 303	6 735	8 169	8 169	8 169	8 075	10 236	8 820
Infrastructure - Electricity	194	1 394	1 069	2 471	3 030	3 030	3 030	2 107	5 021	4 759
Infrastructure - Water	0	–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation	0	–	–	–	–	–	–	–	–	–
Infrastructure - Other	0	–	–	–	–	–	–	–	–	–
Community	–	–	–	32	32	32	32	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–
Other assets	1 595	1 137	1 010	1 595	2 340	2 340	2 340	2 358	4 233	4 466
TOTAL EXPENDITURE OTHER ITEMS	3 541	4 751	8 382	10 833	13 571	13 571	13 571	12 540	19 490	18 045

For the 2014/15 financial year, 81.2 per cent or R10,2 million of total repairs and maintenance will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totalling 64.4 per cent (R8,1 million), followed by buildings and distribution network infrastructure at 35.6 per cent (R4,5 million).

1.2.2 *Free Basic Services: Basic Social Services Package*

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 2,453 or more indigent households during the 2014/15 financial year, and steadily growing this number to approximately 2,756 or more by 2016/17, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 23 MBRR A10 (Basic Service Delivery Measurement) on page 42.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.3 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 12 2014/15 Medium-term capital budget per vote

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 1 - Governance and Administration	500	–	91	1 318	1 000	1 000	1 000	840	–	–
Vote 2 - Financial Services	–	–	80	3 181	4 454	4 454	4 454	25	–	–
Vote 3 - Corporate Services	2 540	2 045	130	8 887	306	306	306	8 060	–	–
Vote 4 - Community and Social Services	430	–	94	1	54	54	54	81	8	8
Vote 5 - Sports and Recreation	150	–	–	–	1 200	1 200	1 200	1 776	–	–
Vote 6 - Public Safety	535	–	155	750	200	200	200	700	450	–
Vote 7 - Planning and Development	17 508	16 885	15 548	22 502	37 882	37 882	37 882	27 554	28 089	29 203
Vote 8 - Roads Transport	–	–	–	1 200	–	–	–	2 700	–	2 550
Vote 9 - Environmental Protection	–	–	–	–	–	–	–	–	–	–
Vote 10 - Other	20	3 941	–	–	–	–	–	–	–	–
Vote 11 - Housing	10	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity Services	9 750	15 206	3 133	14 000	18 270	18 270	18 270	14 600	15 000	15 000
Vote 13 - Waste Management	250	–	–	5 787	2 370	2 370	2 370	–	1 700	–
Total Capital Expenditure - Vote	**31 693**	**38 076**	**19 232**	**57 627**	**65 736**	**65 736**	**65 736**	**56 336**	**45 247**	**46 761**

For 2014/15 an amount of R38,789 million has been appropriated for the development of infrastructure which represents 68.9 per cent of the total capital budget. In the outer years this amount totals R43,1 million, 95.2 per cent and R44.2 million, 94.5 per cent respectively for each of the financial years.

Total new assets in 2014/15 represent 90.2 per cent or R48,1 million of the total capital budget while asset renewal equates to 9.8 per cent or R5,2 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 22 MBRR A9 (Asset Management) on page 40. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 87; 88 and 89). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Capital Expenditure Allocations	Ward	Budget Year 2014/15	Source of Funds
		R	
Road Infrastructure – Ncotshane	2	7 500 000	MIG
Access Road	11	3 708 700	MIG
Access Road	8	3 708 700	MIG
Mboloba Road	10	2 510 200	MIG

Community Hall	9	1 748 000	MIG
Community Hall	12	1 748 000	MIG
Community Hall	13	1 748 000	MIG
Creche	7	752 000	MIG
Sportsfield	7	1 121 794	MIG
Sportsfield	14	1 121 803	MIG
Sportsfield	3	1 121 803	MIG
Electrification Programme:			
- Kwagaqa		3 000 000	DOE
- Magude, Nyaliza, Mpalaza and KwaMpondo		9 000 000	DOE
Vehicles and buildings		10 215 000	LOANS
Machinery, furniture and equipment		7 331 950	OWN
TOTAL		**56 335 950**	

Furthermore pages 87 to 88 contain a detail breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

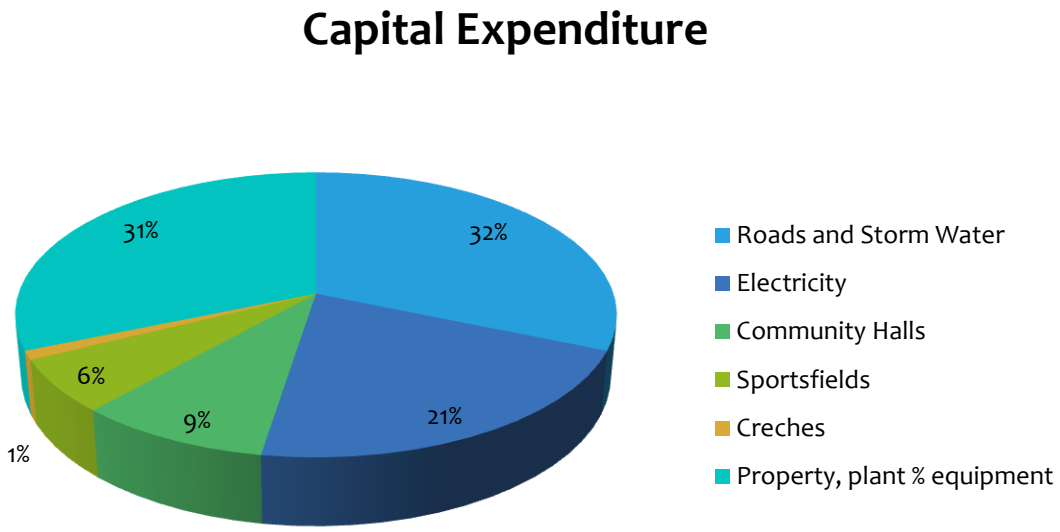


Figure 2 Capital Infrastructure Programme

1.3.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table MBRR SA35 on page 91. This table shows that future operational costs associated with the capital programme totals R14.3 million in 2014/15 and escalates R15,9 million by 2016/17.

1.4 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes.

Table 13 MBRR Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	10 255	10 952	14 051	13 837	17 797	17 797	17 797	23 064	24 425	25 768
Service charges	19 444	23 234	28 785	29 485	30 661	30 661	30 661	33 313	34 790	36 703
Investment revenue	909	1 069	1 043	1 314	1 377	1 377	1 377	1 762	1 548	1 633
Transfers recognised - operational	47 433	57 611	66 486	72 388	73 197	73 197	73 197	82 855	100 462	102 027
Other own revenue	9 512	6 997	8 753	8 946	9 029	9 029	9 029	9 589	10 155	10 713
Total Revenue (excluding capital transfers and contributions)	87 553	99 863	119 118	125 970	132 061	132 061	132 061	150 584	171 380	176 845
Employee costs	26 649	27 832	33 774	35 555	37 526	37 526	37 526	45 665	48 577	51 665
Remuneration of councillors	4 220	5 842	5 997	6 880	7 041	7 041	7 041	7 393	7 762	8 150
Depreciation & asset impairment	2 718	2 974	4 372	3 823	3 823	3 823	3 823	4 536	5 441	6 376
Finance charges	399	749	765	1 339	405	405	405	970	571	604
Materials and bulk purchases	14 616	19 460	25 503	29 235	29 802	29 802	29 802	32 277	40 318	39 990
Transfers and grants	–	2 190	2 691	2 400	3 634	3 634	3 634	2 810	7 976	8 415
Other expenditure	44 089	27 542	29 924	48 636	47 455	47 455	47 455	49 602	59 027	61 637
Total Expenditure	92 691	86 590	103 025	127 868	129 686	129 686	129 686	143 252	169 672	176 837
Transfers recognised - capital	(5 138)	13 273	16 093	(1 898)	2 375	2 375	2 375	7 332	1 708	8
Contributions recognised - capital	8 072	24 613	18 616	36 501	56 082	56 082	56 082	38 789	43 089	44 203
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2 934	37 886	34 709	34 603	58 457	58 457	58 457	46 121	44 797	44 211
Capital expenditure & funds sources										
Capital expenditure	31 693	38 076	19 232	57 627	65 736	65 736	65 736	56 336	45 247	46 761
Transfers recognised - capital	8 072	24 613	18 616	36 501	56 082	56 082	56 082	38 789	43 089	44 203
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	4 154	–	17 543	7 279	7 279	7 279	10 215	–	–
Total Capital Funding	23 621	9 309	616	3 584	2 375	2 375	2 375	7 332	2 158	2 558
Total sources of capital funds	31 693	38 076	19 232	57 627	65 736	65 736	65 736	56 336	45 247	46 761
Financial position										
Total current assets	46 106	42 771	59 436	47 162	57 608	57 608	57 608	45 619	61 075	61 612
Total non current assets	160 069	199 032	212 644	281 568	273 358	273 358	273 358	326 834	367 782	410 007
Total current liabilities	35 506	30 675	31 216	24 827	27 975	27 975	27 975	26 839	23 931	26 937
Total non current liabilities	9 100	12 916	8 579	25 545	10 876	10 876	10 876	21 352	20 133	20 478
Community wealth/Equity	161 570	198 211	232 285	278 358	292 114	292 114	292 114	324 262	384 792	424 204
Cash flows										
Net cash from (used) operating	29 318	40 226	29 945	45 031	54 715	46 268	46 268	51 288	60 694	47 816
Net cash from (used) investing	(17 686)	(35 125)	(19 104)	(57 627)	(65 736)	(65 736)	(65 736)	(56 336)	(45 247)	(46 761)
Net cash from (used) financing	273	(4 334)	(3 614)	14 418	5 692	5 692	5 692	7 568	(3 272)	(868)
Cash/cash equivalents at the year end	15 409	16 175	23 402	21 322	18 073	9 626	9 626	12 146	24 321	24 508
Cash backing/surplus reconciliation										
Cash and investments available	15 409	16 175	23 402	21 322	18 073	9 626	9 626	12 146	24 321	24 508
Application of cash and investments	13 049	5 398	(14 600)	11 617	(11 421)	(19 555)	(19 555)	3 267	(4 018)	(2 088)
Balance - surplus (shortfall)	2 360	10 778	38 002	9 705	29 494	29 181	29 181	8 878	28 338	26 596
Asset management										
Asset register summary (WDV)	88 197	198 344	212 567	281 568	273 358	273 358	326 834	326 834	367 782	410 007
Depreciation & asset impairment	2 718	2 974	4 372	3 823	3 823	3 823	4 536	4 536	5 441	6 376
Renewal of Existing Assets	–	–	–	5 928	5 928	5 928	5 928	8 245	9 171	11 000
Repairs and Maintenance	3 541	4 751	8 382	10 833	13 571	13 571	12 540	12 540	19 490	18 045
Free services										
Cost of Free Basic Services provided	**1 568**	1 568	2 691	3 811	5 045	5 045	4 030	4 030	9 268	9 778
Revenue cost of free services provided	**–**	–	2 691	6 072	6 072	6 072	5 011	5 011	6 424	6 777
Households below minimum service level										
Water:	11	11	12	11	11	11	12	12	13	15
Sanitation/sewerage:	12	12	14	13	13	13	14	14	15	18
Energy:	13	13	12	13	13	13	13	13	14	17
Refuse:	22	22	24	23	23	23	26	26	27	33

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds is financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2015/16, when a small surplus is reflected.

5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of

free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2016/17 the electricity and roads backlog will have been very nearly eliminated.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
Governance and administration		59 616	81 870	60 589	63 894	68 778	68 778	65 672	72 361	75 237
Executive and council		7 702	11 079	9 777	15 675	15 675	15 675	16 758	18 552	19 116
Budget and treasury office		50 766	70 393	39 730	34 702	39 168	39 168	40 101	42 880	44 887
Corporate services		1 147	398	11 082	13 517	13 935	13 935	8 814	10 929	11 234
Community and public safety		3 333	4 445	12 893	14 034	15 368	15 368	14 352	15 777	16 539
Community and social services		2 922	3 732	4 545	3 616	3 749	3 749	6 939	7 651	8 159
Sport and recreation		28	54	1 503	2 251	3 451	3 451	2 262	2 376	2 435
Public safety		383	660	6 845	7 724	7 724	7 724	5 151	5 749	5 944
Housing		–	–	–	444	444	444	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		4 996	14 669	29 981	37 643	56 068	56 068	44 294	50 194	50 900
Planning and development		2 479	12 339	22 407	27 618	46 043	46 043	35 320	38 902	40 294
Road transport		2 517	2 330	7 256	10 025	10 025	10 025	8 974	11 292	10 606
Environmental protection		–	–	318	–	–	–	–	–	–
Trading services		27 687	23 234	33 724	46 363	47 392	47 392	63 775	74 706	76 911
Electricity		17 471	18 309	27 728	40 203	40 608	40 608	53 587	63 712	65 425
Water		329	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		9 887	4 925	5 996	6 160	6 784	6 784	10 188	10 994	11 487
Other	4	(7)	258	547	537	537	537	1 279	1 431	1 461
Total Revenue - Standard	2	95 625	124 476	137 734	162 471	188 143	188 143	189 373	214 469	221 048
Expenditure - Standard										
Governance and administration		47 545	39 030	48 708	61 661	55 978	55 978	59 332	66 023	70 462
Executive and council		9 811	12 880	15 373	22 118	21 907	21 907	22 307	23 905	25 288
Budget and treasury office		28 758	10 817	18 912	22 818	20 340	20 340	22 293	24 441	26 349
Corporate services		8 976	15 333	14 423	16 724	13 731	13 731	14 732	17 676	18 824
Community and public safety		14 360	14 683	13 919	15 975	18 000	18 000	20 367	21 625	22 934
Community and social services		3 286	4 367	4 405	5 096	5 882	5 882	8 362	8 878	9 421
Sport and recreation		1 871	1 518	2 182	2 531	3 273	3 273	3 993	4 232	4 471
Public safety		9 181	8 786	7 333	8 348	8 845	8 845	8 011	8 515	9 042
Housing		22	13	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		12 063	12 014	15 588	19 296	23 316	23 316	26 134	34 662	34 006
Planning and development		7 014	6 567	6 857	7 753	10 658	10 658	13 164	17 940	18 359
Road transport		5 049	5 447	8 457	11 542	12 657	12 657	12 970	16 722	15 648
Environmental protection		–	–	274	–	–	–	–	–	–
Trading services		18 271	20 178	24 220	29 527	30 927	30 927	35 084	44 888	46 822
Electricity		16 166	16 708	20 313	24 121	25 354	25 354	29 166	38 620	40 209
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		2 105	3 470	3 907	5 406	5 573	5 573	5 919	6 268	6 613
Other	4	451	684	590	1 410	1 466	1 466	2 335	2 475	2 613
Total Expenditure - Standard	3	92 691	86 590	103 025	127 868	129 686	129 686	143 252	169 672	176 837
Surplus/(Deficit) for the year		2 934	37 886	34 709	34 603	58 457	58 457	46 121	44 797	44 211

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity function. The electricity revenue excluding the equitable share amounting to R14,7 million allocated to this service and the capital revenue recognised totalling R12 million is R26,7 million compared to the operating costs which amount to R29,2 million. In 2012/13 financial year the municipality lost 5,6 million units of electricity which approximated R3,8 million. As already noted above, the municipality has undertaken a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure. It is pleasing to note that in 2013/14, the electricity loss has substantially decreased from 18.5 percent to around 12.1 per cent as a result of replacing faulty meters and re-training of meter readers. Consequently, the electricity loss has been materially reduced in 2013/14 and in the 2014/15 MTREF as shown on Table SA8 on page 58.

4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - Governance and Administration		7 702	11 079	9 777	15 675	15 675	15 675	16 758	18 552	19 116
Vote 2 - Financial Services		42 196	70 393	39 730	34 702	39 168	39 168	40 101	42 880	44 887
Vote 3 - Corporate Services		1 147	398	11 082	13 517	13 935	13 935	8 814	10 929	11 234
Vote 4 - Community and Social Services		2 922	3 732	4 545	3 616	3 749	3 749	6 939	7 651	8 159
Vote 5 - Sports and Recreation		28	54	1 503	2 251	3 451	3 451	2 262	2 376	2 435
Vote 6 - Public Safety		383	660	6 845	7 724	7 724	7 724	5 151	5 749	5 944
Vote 7 - Planning and Development		2 479	12 339	22 221	28 883	47 308	47 308	35 320	38 902	40 294
Vote 8 - Roads Transport		2 517	2 330	6 244	7 495	7 495	7 495	8 974	11 292	10 606
Vote 9 - Environmental Protection		–	–	318	–	–	–	–	–	–
Vote 10 - Other		8 892	258	1 744	1 802	1 802	1 802	1 279	1 431	1 461
Vote 11 - Housing		–	–	–	444	444	444	–	–	–
Vote 12 - Electricity Services		17 471	18 309	27 728	40 203	40 608	40 608	53 587	63 712	65 425
Vote 13 - Water Services		–	–	–	–	–	–	–	–	–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		9 887	4 925	5 996	6 160	6 784	6 784	10 188	10 994	11 487
Total Revenue by Vote	2	**95 625**	**124 476**	**137 734**	**162 471**	**188 143**	**188 143**	**189 373**	**214 469**	**221 048**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Governance and Administration		9 811	12 880	15 373	22 118	21 907	21 907	22 307	23 905	25 288
Vote 2 - Financial Services		28 186	10 817	18 912	22 818	20 340	20 340	22 293	24 441	26 349
Vote 3 - Corporate Services		8 976	15 333	14 423	16 724	13 731	13 731	14 732	17 676	18 824
Vote 4 - Community and Social Services		3 286	4 367	4 405	5 096	5 882	5 882	8 362	8 878	9 421
Vote 5 - Sports and Recreation		1 871	1 518	2 182	2 531	3 273	3 273	3 993	4 232	4 471
Vote 6 - Public Safety		9 181	8 786	7 333	8 348	8 845	8 845	8 011	8 515	9 042
Vote 7 - Planning and Development		5 265	6 567	6 038	7 753	10 658	10 658	13 164	17 940	18 359
Vote 8 - Roads Transport		5 049	5 447	8 457	11 542	12 657	12 657	12 970	16 722	15 648
Vote 9 - Environmental Protection		–	–	274	–	–	–	–	–	–
Vote 10 - Other		2 773	684	1 409	1 410	1 466	1 466	2 335	2 475	2 613
Vote 11 - Housing		22	13	–	–	–	–	–	–	–
Vote 12 - Electricity Services		16 166	16 708	20 313	24 121	25 354	25 354	29 166	38 620	40 209
Vote 13 - Water Services		–	–	–	–	–	–	–	–	–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		2 105	3 470	3 907	5 406	5 573	5 573	5 919	6 268	6 613
Total Expenditure by Vote	2	**92 691**	**86 590**	**103 025**	**127 868**	**129 686**	**129 686**	**143 252**	**169 672**	**176 837**
Surplus/(Deficit) for the year	2	**2 934**	**37 886**	**34 709**	**34 603**	**58 457**	**58 457**	**46 121**	**44 797**	**44 211**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 16 Surplus/(Deficit) calculations for the trading services

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Trading services									
Electricity revenue	14 689	18 309	23 366	23 868	24 273	24 273	26 529	27 604	29 123
Operating expenditure	(16 166)	(16 708)	(20 313)	(24 121)	(25 354)	(25 354)	(29 166)	(38 620)	(40 209)
Surplus/(Deficit) for year	**(1 477)**	**1 601**	**3 054**	**(253)**	**(1 081)**	**(1 081)**	**(2 637)**	**(11 015)**	**(11 086)**
Waste management revenue	4 755	4 925	5 419	5 617	6 389	6 389	6 785	7 185	7 580
Operating expenditure	(2 105)	(3 470)	(3 907)	(5 406)	(5 573)	(5 573)	(5 919)	(6 268)	(6 613)
Surplus/(Deficit) for year	**2 650**	**1 455**	**1 511**	**211**	**815**	**815**	**866**	**917**	**968**

2. The electricity trading deficit is increasing over the 2014/15 MTREF from R2,6 million in 2013/14 to R11 million by 2016/17. The deficit is mainly attributable to the increase in repairs and maintenance from R1,6 million to R4,1 million by 2016/17. Further, the increase in the cost of bulk purchases (sanctioned by NERSA, namely 8.06 per cent) exceeds the CPI. The expected revenue from electricity was increased by 7.39 per cent. The municipality has over the past years implemented the national electricity programme in the municipal area where it does not collect revenue. Further the electricity infrastructure in town is old and requires continued maintenance.

3. The solid waste management surplus remains constant over the MTREF translating into a surplus of 12.7 per cent for each of the respective financial years.

Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source										
Property rates	10 255	10 952	14 051	13 837	17 797	17 797	17 797	23 064	24 425	25 768
Property rates - penalties & collection charges	–	–	–	–	–			–	–	–
Service charges - electricity revenue	14 689	18 309	23 366	23 868	24 273	24 273	24 273	26 529	27 604	29 123
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	4 755	4 925	5 419	5 617	6 389	6 389	6 389	6 785	7 185	7 580
Service charges - other	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	437	416	578	869	1 308	1 308	1 308	1 390	1 471	1 552
Interest earned - external investments	909	1 069	1 043	1 314	1 377	1 377	1 377	1 762	1 548	1 633
Interest earned - outstanding debtors	3 212	2 797	3 282	3 370	3 602	3 602	3 602	3 826	4 051	4 274
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines	40	–	692	374	374	374	374	398	421	444
Licences and permits	2 986	3 163	2 143	2 315	2 294	2 294	2 294	2 436	2 580	2 722
Agency services	132	116	706	680	680	680	680	722	764	806
Transfers recognised - operational	47 433	57 611	66 486	72 388	73 197	73 197	73 197	82 855	100 462	102 027
Other revenue	308	849	1 251	1 339	771	771	771	819	867	915
Gains on disposal of PPE	2 397	17	101	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**87 553**	**100 222**	**119 118**	**125 970**	**132 061**	**132 061**	**132 061**	**150 584**	**171 380**	**176 845**
Expenditure By Type										
Employee related costs	26 649	27 832	33 774	35 555	37 526	37 526	37 526	45 665	48 577	51 665
Remuneration of councillors	4 220	4 549	5 997	6 880	7 041	7 041	7 041	7 393	7 762	8 150
Debt impairment	17 560	24 526	2 537	1 369	1 369	1 369	1 369	1 454	1 540	1 625
Depreciation & asset impairment	2 718	2 974	4 372	3 823	3 823	3 823	3 823	4 536	5 441	6 376
Finance charges	399	752	765	1 339	405	405	405	970	571	604
Bulk purchases	12 796	15 617	19 039	20 925	21 561	21 561	21 561	23 299	24 673	26 030
Other materials	1 820	3 844	6 464	8 311	8 242	8 242	8 242	8 978	15 645	13 960
Contracted services	7 773	6 237	9 157	10 010	10 768	10 768	10 768	10 974	12 111	12 777
Transfers and grants	–	2 190	2 691	2 400	3 634	3 634	3 634	2 810	7 976	8 415
Other expenditure	16 926	17 414	18 230	37 256	35 318	35 318	35 318	37 174	45 376	47 236
Loss on disposal of PPE	1 830	1 333	–	–	–	–	–	–	–	–
Total Expenditure	**92 691**	**107 267**	**103 025**	**127 868**	**129 686**	**129 686**	**129 686**	**143 252**	**169 672**	**176 837**
Surplus/(Deficit)	**(5 138)**	**(7 045)**	**16 093**	**(1 898)**	**2 375**	**2 375**	**2 375**	**7 332**	**1 708**	**8**
Transfers recognised - capital	8 072	24 613	18 616	36 501	56 082	56 082	56 082	38 789	43 089	44 203
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**2 934**	**17 568**	**34 709**	**34 603**	**58 457**	**58 457**	**58 457**	**46 121**	**44 797**	**44 211**
Taxation	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**2 934**	**17 568**	**34 709**	**34 603**	**58 457**	**58 457**	**58 457**	**46 121**	**44 797**	**44 211**
Attributable to minorities	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**2 934**	**17 568**	**34 709**	**34 603**	**58 457**	**58 457**	**58 457**	**46 121**	**44 797**	**44 211**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**2 934**	**17 568**	**34 709**	**34 603**	**58 457**	**58 457**	**58 457**	**46 121**	**44 797**	**44 211**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R150,6 million in 2014/15 and escalates to R176,8 million by 2016/17. This represents a year-on-year increase of 14 per cent for the 2014/15 financial year and 17.4 per cent for the 2016/17 financial year.
2. Revenue to be generated from property rates is R23,1 million in the 2014/15 financial year and increases to R25,8 million by 2016/17 and represents 15.3 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. The tariff increases have been factored in at 6.2 per cent for 2014/15 and 5.9 per cent for 2015/16 and 5.5 per cent for 2016/17. The significant increase in property rates revenue is attributable to the implementation of the general valuation roll for the first time. The general valuation roll should have been implemented in 2013/14 but due to certain challenges the implementation thereof was deferred to 2014/15 after condonement by the MEC for Cooperative Governance and Traditional Affairs in terms of Section 80 of the Municipal Property Rates Act. The total rateable property value has increased from R2,164 billion to R2,891 billion or 33.6 per cent.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R32,9 million for the 2014/15 financial year and increasing to R36,7 million by 2016/17. For the 2014/15 financial year services charges amount to 21.8 per cent of the total revenue and slightly decreases to 20.7 per cent by 2016/17.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The equitable share increases from 54.9 per cent in 2014/15 to 57.4 per cent in 2016/17.
5. The appropriation for employee salaries and wages for 2014/15 is R45,7 million compared to R37,5 in 2013/14, an increase of 21.7 per cent. The Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015 provides for a wage increase based on the average CPI for the period 1 February 2013 until 31 January 2014, plus 1 per cent for the 2014/15 financial year, with effect from 1 July 2014. Therefore, the salary cost has been increased by 6.79 per cent as directed by National Treasury in Circular 72. The percentage difference of 14.9 (21.7 – 6.8) per cent relates to additional human capacity required. The percentage of salaries and wages is 31.7 per cent (2013/14: 28.9 per cent) of the total operating budget.
6. The remuneration of Councillors has been increased by 5 per cent to R7,393 million in 2014/15 from R7,040 million in 2013/14 after taking into account the approved 2013/14 Upper Limits for Councillors, and increase to R8,150 million by 2016/17.
7. The budget for bulk purchases of electricity has been increased provisionally by 8.06 per cent to R23,3 million as per National Treasury Directive in Circular 72. The municipality has submitted a tariff application to NERSA (D-Forms) for 2014/15. The approved tariff determination will be incorporated in the final 2014/15 budget and MTREF's for consideration by the Council. The bulk electricity appropriation increases to R26 million by 2016/17.

8. The other expenses budget amounts R37,2 million in 2014/15 and increase to R47,2 million by 2016/17. This represents a cumulative year-on-year increase of 33.7 per cent by 2016/17. These expenses are for day to day operations of the Council. The increase is informed by the need to improve delivery of basic services to the poor households and job creation.

Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Governance and Administration	–	–	–	–	–	–	–	–	–	–
Vote 2 - Financial Services	–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services	–	893	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sports and Recreation	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety	–	–	–	–	–	–	–	–	–	–
Vote 7 - Planning and Development	16 793	14 798	14 277	22 501	26 182	26 182	26 182	26 789	28 089	29 203
Vote 8 - Roads Transport	–	–	–	–	–	–	–	–	–	–
Vote 9 - Environmental Protection	–	–	–	–	–	–	–	–	–	–
Vote 10 - Other	–	–	–	–	–	–	–	–	–	–
Vote 11 - Housing	–	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity Services	–	9 816	3 133	14 000	14 000	14 000	14 000	12 000	15 000	15 000
Vote 13 - Waste Management	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**16 793**	**25 506**	**17 410**	**36 501**	**40 182**	**40 182**	**40 182**	**38 789**	**43 089**	**44 203**
Single-year expenditure to be appropriated										
Vote 1 - Governance and Administration	500	–	91	1 318	1 000	1 000	1 000	840	–	–
Vote 2 - Financial Services	–	–	80	3 181	4 454	4 454	4 454	25	–	–
Vote 3 - Corporate Services	2 540	1 152	130	8 887	306	306	306	8 060	–	–
Vote 4 - Community and Social Services	430	–	94	1	54	54	54	81	8	8
Vote 5 - Sports and Recreation	150	–	–	–	1 200	1 200	1 200	1 776	–	–
Vote 6 - Public Safety	535	–	155	750	200	200	200	700	450	–
Vote 7 - Planning and Development	715	2 087	1 271	1	11 700	11 700	11 700	765	–	–
Vote 8 - Roads Transport	–	–	–	1 200	–	–	–	2 700	–	2 550
Vote 9 - Environmental Protection	–	–	–	–	–	–	–	–	–	–
Vote 10 - Other	20	3 941	–	–	–	–	–	–	–	–
Vote 11 - Housing	10	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity Services	9 750	5 390	–	–	4 270	4 270	4 270	2 600	–	–
Vote 13 - Waste Management	250	–	–	5 787	2 370	2 370	2 370	–	1 700	–
Capital single-year expenditure sub-total	**14 900**	**12 570**	**1 822**	**21 127**	**25 554**	**25 554**	**25 554**	**17 547**	**2 158**	**2 558**
Total Capital Expenditure - Vote	**31 693**	**38 076**	**19 232**	**57 627**	**65 736**	**65 736**	**65 736**	**56 336**	**45 247**	**46 761**
Capital Expenditure - Standard										
Governance and administration	3 365	2 045	301	13 387	5 760	5 760	5 760	8 925	–	–
Executive and council	500	–	91	1 318	1 000	1 000	1 000	700	–	–
Budget and treasury office	–	–	80	3 181	4 454	4 454	4 454	25	–	–
Corporate services	2 865	2 045	130	8 887	306	306	306	8 200	–	–
Community and public safety	1 125	–	250	751	1 454	1 454	1 454	2 557	8	8
Community and social services	580	–	94	1	54	54	54	81	8	8
Sport and recreation	–	–	–	–	1 200	1 200	1 200	1 776	–	–
Public safety	535	–	155	750	200	200	200	700	–	–
Housing	10	–	–	–	–	–	–	–	–	–
Economic and environmental services	17 183	16 885	15 548	23 702	37 882	37 882	37 882	30 254	28 539	31 753
Planning and development	16 793	16 885	15 548	22 502	37 882	37 882	37 882	27 554	28 539	29 203
Road transport	390	–	–	1 200	–	–	–	2 700	–	2 550
Environmental protection	–	–	–	–	–	–	–	–	–	–
Trading services	10 000	19 147	3 133	19 787	20 640	20 640	20 640	14 600	16 700	15 000
Electricity	9 750	15 206	3 133	14 000	18 270	18 270	18 270	14 600	15 000	15 000
Waste management	250	3 941	–	5 787	2 370	2 370	2 370	–	1 700	–
Other	20	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	**31 693**	**38 076**	**19 232**	**57 627**	**65 736**	**65 736**	**65 736**	**56 336**	**45 247**	**46 761**
Funded by:										
National Government	8 072	24 613	18 616	36 501	56 082	56 082	56 082	38 789	43 089	44 203
Provincial Government	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	8 072	24 613	18 616	36 501	56 082	56 082	56 082	38 789	43 089	44 203
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	4 154	–	17 543	7 279	7 279	7 279	10 215	–	–
Internally generated funds	23 621	9 309	616	3 584	2 375	2 375	2 375	7 332	2 158	2 558
Total Capital Funding	**31 693**	**38 076**	**19 232**	**57 627**	**65 736**	**65 736**	**65 736**	**56 336**	**45 247**	**46 761**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2014/15 R38,8 million has been allocated of the total R53,3 million capital budget, which totals 72.7 per cent. This allocation decreases to R43,1 million in 2015/16 and then increase to R44,2 million in 2016/17 owing primarily to the fact that various projects reach completion in 2016/17 hence the spike in expenditure in year three.
3. Single-year capital expenditure has been appropriated at R17,5 million for the 2014/15 financial year and decreases significantly to R2,2 in 2015/16 and increases to R2,6 million by 2016/17.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from national conditional grants and transfers, borrowings and internally generated funds from current year surpluses. For 2014/15, capital transfers totals R38,8 million (72.7 per cent) and decrease to R44,2 million by 2016/17 (94.5 per cent). Borrowings have been provided at R10,2 million for 2014/15 only with internally generated funding totaling R7,3 million.

Table 19 MBRR Table A6 - Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS										
Current assets										
Cash	3 201	7 772	529	3	3	3	3	4	6	5
Call investment deposits	12 207	8 403	22 873	21 318	18 070	9 622	9 622	12 142	24 315	24 503
Consumer debtors	18 744	25 019	34 174	16 226	38 412	46 859	46 859	32 351	35 768	36 255
Other debtors	1 407	1 443	1 722	502	984	984	984	984	847	710
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	10 546	133	138	9 113	138	138	138	138	138	138
Total current assets	**46 106**	**42 771**	**59 436**	**47 162**	**57 608**	**57 608**	**57 608**	**45 619**	**61 075**	**61 612**
Non current assets										
Long-term receivables	3 263	688	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	–
Investment property	88 095	88 095	88 095	88 095	88 095	88 095	88 095	88 095	88 095	88 095
Investment in Associate	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	68 609	110 045	124 400	191 757	185 113	185 113	185 113	238 625	279 591	321 835
Agricultural	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	102	127	72	1 716	72	72	72	36	18	–
Other non-current assets	–	78	78	–	78	78	78	78	78	78
Total non current assets	**160 069**	**199 032**	**212 644**	**281 568**	**273 358**	**273 358**	**273 358**	**326 834**	**367 782**	**410 007**
TOTAL ASSETS	**206 175**	**241 802**	**272 080**	**328 730**	**330 965**	**330 965**	**330 965**	**372 453**	**428 856**	**471 619**
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	1 006	2 464	2 647	4 152	2 647	2 647	2 647	3 722	3 418	3 504
Consumer deposits			1 181					1 181	1 181	1 181
Trade and other payables	34 500	28 211	27 388	20 676	25 328	25 328	25 328	21 935	19 332	22 252
Provisions		–	–							
Total current liabilities	**35 506**	**30 675**	**31 216**	**24 827**	**27 975**	**27 975**	**27 975**	**26 839**	**23 931**	**26 937**
Non current liabilities										
Borrowing	3 213	5 006	2 117	18 693	7 014	7 014	7 014	14 890	13 671	14 015
Provisions	5 886	7 910	6 462	6 852	3 862	3 862	3 862	6 462	6 462	6 462
Total non current liabilities	**9 100**	**12 916**	**8 579**	**25 545**	**10 876**	**10 876**	**10 876**	**21 352**	**20 133**	**20 478**
TOTAL LIABILITIES	**44 605**	**43 591**	**39 795**	**50 372**	**38 851**	**38 851**	**38 851**	**48 191**	**44 064**	**47 415**
NET ASSETS	**161 570**	**198 211**	**232 285**	**278 358**	**292 114**	**292 114**	**292 114**	**324 262**	**384 792**	**424 204**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	161 570	198 211	232 285	278 358	292 114	292 114	292 114	324 262	384 792	424 204
Reserves	–	–	–	–	–	–	–	–	–	–
Minorities' interests	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**161 570**	**198 211**	**232 285**	**278 358**	**292 114**	**292 114**	**292 114**	**324 262**	**384 792**	**424 204**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position.
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 100) providing a detailed analysis of the major components of a number of items, including:
    - Call investments deposits;
    - Consumer debtors;
    - Property, plant and equipment;
    - Trade and other payables;
    - Provisions non-current;
    - Changes in net assets; and
    - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 20 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other	33 570	37 882	57 639	49 716	55 356	55 356	55 356	50 961	55 981	60 521
Government - operating	47 433	57 611	63 318	72 388	73 197	72 888	72 888	82 855	100 462	102 027
Government - capital	8 072	24 613	21 784	36 501	56 082	44 382	44 382	38 789	43 089	44 203
Interest	4 140	3 866	4 325	1 314	1 377	1 377	1 377	5 588	5 600	5 908
Dividends	–	–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees	(63 497)	(82 994)	(116 357)	(113 550)	(130 892)	(127 330)	(127 330)	(123 125)	(135 890)	(155 824)
Finance charges	(399)	(752)	(765)	(1 339)	(405)	(405)	(405)	(970)	(571)	(604)
Transfers and Grants	–	–	–	–	–	–	–	(2 810)	(7 976)	(8 415)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**29 318**	**40 226**	**29 945**	**45 031**	**54 715**	**46 268**	**46 268**	**51 288**	**60 694**	**47 816**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	846	1 011	(560)	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–		–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	(688)	688	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–
Payments										
Capital assets	(18 532)	(35 449)	(19 232)	(57 627)	(65 736)	(65 736)	(65 736)	(56 336)	(45 247)	(46 761)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(17 686)**	**(35 125)**	**(19 104)**	**(57 627)**	**(65 736)**	**(65 736)**	**(65 736)**	**(56 336)**	**(45 247)**	**(46 761)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	–	–	(907)	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	(53)	(1 409)	17 543	7 279	7 279	7 279	10 215	450	2 550
Increase (decrease) in consumer deposits	1 815	(299)	–	–	–	–	–	–	–	–
Payments										
Repayment of borrowing	(1 542)	(3 982)	(1 297)	(3 125)	(1 587)	(1 587)	(1 587)	(2 647)	(3 722)	(3 418)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**273**	**(4 334)**	**(3 614)**	**14 418**	**5 692**	**5 692**	**5 692**	**7 568**	**(3 272)**	**(868)**
NET INCREASE/ (DECREASE) IN CASH HELD	**11 904**	**767**	**7 226**	**1 821**	**(5 329)**	**(13 776)**	**(13 776)**	**2 520**	**12 175**	**187**
Cash/cash equivalents at the year begin:	**3 504**	**15 409**	**16 175**	19 500	**23 402**	**23 402**	**23 402**	**9 626**	**12 146**	**24 321**
Cash/cash equivalents at the year end:	**15 409**	**16 175**	**23 402**	**21 322**	**18 073**	**9 626**	**9 626**	**12 146**	**24 321**	**24 508**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The Municipality plans to undertake an extensive debt collection drive which will result in an increase of cash receipts from arrear debtors.
4. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

5. Cash and cash equivalents totals R12,1 million as at the end of the 2014/15 financial year and escalate to R24,6 million by 2016/17.

Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available										
Cash/cash equivalents at the year end	15 409	16 175	23 402	21 322	18 073	9 626	9 626	12 146	24 321	24 508
Other current investments > 90 days	–	–	–	–	–	–	–	–	–	–
Non current assets - Investments	–	–	–	–	–	–	–	–	–	–
Cash and investments available:	**15 409**	**16 175**	**23 402**	**21 322**	**18 073**	**9 626**	**9 626**	**12 146**	**24 321**	**24 508**
Application of cash and investments										
Unspent conditional transfers	14 784	5 445	6 043	1 840	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–		–	–	–
Statutory requirements	–	–	–	–	–	–	–	5 666	4 536	4 306
Other working capital requirements	(7 621)	(6 452)	(24 504)	2 924	(18 274)	(26 408)	(26 408)	(9 482)	(15 883)	(13 982)
Other provisions	5 886	6 404	3 862	6 852	6 852	6 852	6 852	7 084	7 330	7 588
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:	**13 049**	**5 398**	**(14 600)**	**11 617**	**(11 421)**	**(19 555)**	**(19 555)**	**3 267**	**(4 018)**	**(2 088)**
Surplus(shortfall)	**2 360**	**10 778**	**38 002**	**9 705**	**29 494**	**29 181**	**29 181**	**8 878**	**28 338**	**26 596**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

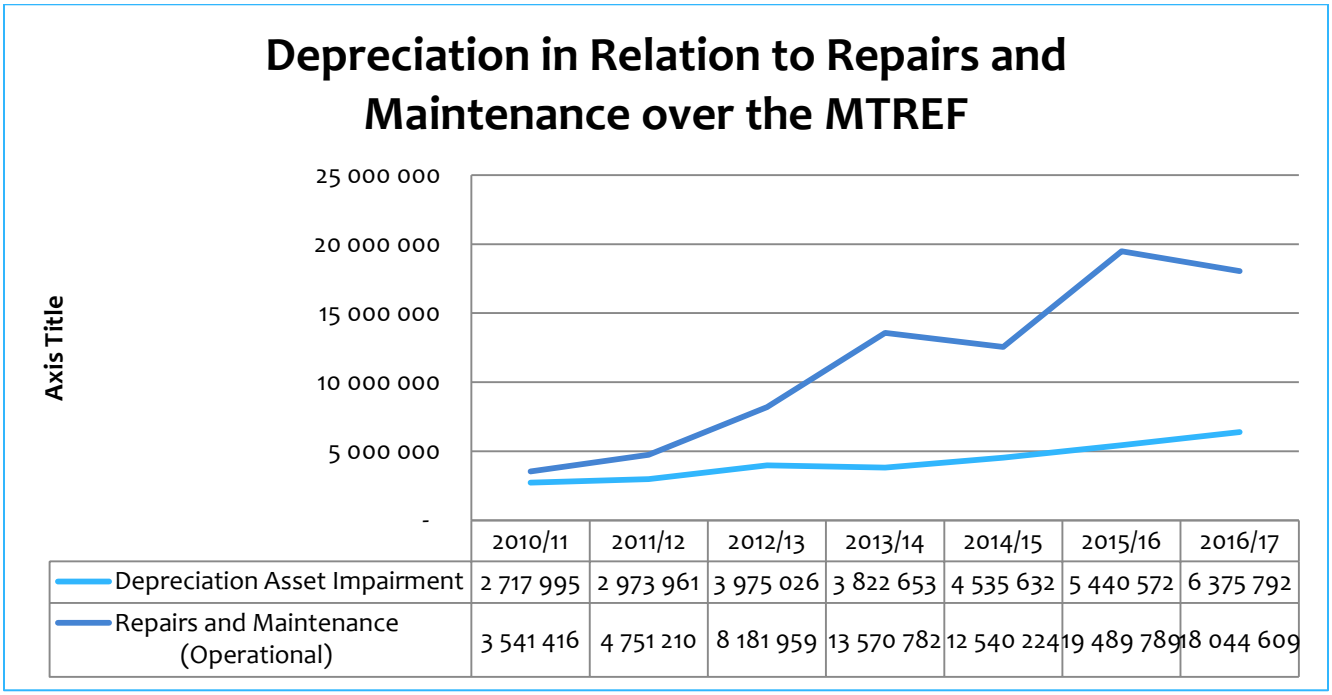
1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2012/13 to 2013/14 the surplus deteriorated to an expected R29,1 million. From 2014/15 the surplus further declines to R8,9 million in 2014/15 and improves to R26,6 million by 2016/17.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2014/15 MTREF is funded in spite of the reduction in the surplus.

Table 22 MBRR Table A9 - Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE										
Total New Assets	1	17 413	16 885	14 277	22 160	23 955	23 955	11 983	9 450	22 403
Infrastructure - Road transport		16 913	16 885	14 277	15 504	21 504	21 504	10 018	9 000	21 203
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		*16 913*	*16 885*	*14 277*	*15 504*	*21 504*	*21 504*	*10 018*	*9 000*	*21 203*
Infrastructure - Other		–	–	–	3 553	–	–	–	–	–
Parks & gardens		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Housing development	6	500	–	–	3 103	2 451	2 451	1 965	450	1 200
Computers - software & programming		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	–	–	–	2 525	2 525	2 525	7 500	9 171	8 000
Infrastructure - Road transport		–	–	–	1 545	1 545	1 545	7 500	9 171	8 000
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	*1 545*	*1 545*	*1 545*	*7 500*	*9 171*	*8 000*
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Parks & gardens		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Housing development	6	–	–	–	980	980	980	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		16 913	16 885	14 277	17 049	23 049	23 049	17 518	18 171	29 203
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure - Other		*16 913*	*16 885*	*14 277*	*17 049*	*23 049*	*23 049*	*17 518*	*18 171*	*29 203*
Parks & gardens		–	–	–	3 553	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
General vehicles		500	–	–	4 083	3 431	3 431	1 965	450	1 200
Computers - software & programming		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset	2	17 413	16 885	14 277	24 685	26 480	26 480	19 483	18 621	30 403
ASSET REGISTER SUMMARY - PPE (WD	5									
Infrastructure - Road transport		–	77 713	72 933	105 148	105 148	105 148	85 439	101 152	127 762
Infrastructure - Electricity		–	2 799	19 356	25 863	25 863	25 863	32 751	59 268	73 686
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	*80 512*	*92 288*	*131 012*	*131 012*	*131 012*	*118 190*	*160 420*	*201 448*
Infrastructure - Other		–	–	–	6 850	6 850	6 850	–	–	–
Parks & gardens		–	78	78	74	74	74	78	78	78
Buildings		–	–	–	–	–	–	–	–	–
Housing development		–	29 532	32 034	53 821	47 254	47 254	120 436	119 171	120 387
Intangibles		102	127	72	1 716	72	72	36	18	–
Computers - software & programming		–	78	78	–	78	78	78	78	78
TOTAL ASSET REGISTER SUMMARY - P	5	102	110 327	124 550	193 473	185 340	185 340	238 817	279 764	321 990
EXPENDITURE OTHER ITEMS										
Finance charges		399	749	765	1 339	405	405	970	571	604
Repairs and Maintenance by Asset Cl	3	2 696	2 816	6 677	7 363	9 710	9 710	9 705	11 963	10 642
Infrastructure - Road transport		1 608	2 233	6 246	6 657	8 092	8 092	7 993	10 149	8 728
Infrastructure - Electricity		–	–	–	491	491	491	521	552	582
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure - Other		*1 608*	*2 233*	*6 246*	*7 148*	*8 582*	*8 582*	*8 514*	*10 701*	*9 311*
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Parks & gardens		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Housing development	6, 7	1 088	583	430	214	1 127	1 127	1 192	1 262	1 331
TOTAL EXPENDITURE OTHER ITEMS		3 095	3 565	7 441	8 701	10 115	10 115	10 676	12 534	11 246
Renewal of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*10.2%*	*9.5%*	*9.5%*	*38.5%*	*49.3%*	*26.3%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*188.6%*	*623.4%*	*623.4%*	*773.1%*	*1606.6%*	*1324.9%*
R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal and R&M as a % of PPE		*2642.0%*	*3.0%*	*5.0%*	*5.0%*	*7.0%*	*7.0%*	*7.0%*	*8.0%*	*6.0%*

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations due to the following:
   - The municipality has cash resources challenges.
   - There is a huge backlog of roads and electricity infrastructure that the municipality has prioritised for 2014/15 MTREF which requires a significant portion of available cash resources.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.



	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Depreciation Asset Impairment	2 717 995	2 973 961	3 975 026	3 822 653	4 535 632	5 440 572	6 375 792
Repairs and Maintenance (Operational)	3 541 416	4 751 210	8 181 959	13 570 782	12 540 224	19 489 789	18 044 609

Figure 3 Depreciation in relation to repairs and maintenance over the MTREF

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

Explanatory notes to Table A10 - Basic Service Delivery Measurement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets									
Water:									
Piped water inside dwelling	1 632	1 632	1 726	1 654	1 654	1 654	1 830	1 880	2 236
Piped water inside yard (but not in dwelling)	9 533	9 533	10 070	9 705	9 706	9 706	10 674	10 965	13 044
Using public tap (at least min.service level)	1 780	1 780	2 014	1 812	1 812	1 812	2 135	2 193	2 609
Other water supply (at least min.service level)	3 356	3 356	3 452	3 418	3 417	3 417	3 660	3 759	4 472
Minimum Service Level and Above sub-total	16 301	16 301	17 262	16 589	16 589	16 589	18 299	18 797	22 361
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	10 652	10 652	11 509	10 846	10 846	10 846	12 198	12 531	14 906
No water supply	1	1	1	1	1	1	1	1	1
Below Minimum Service Level sub-total	10 653	10 653	11 510	10 847	10 847	10 847	12 199	12 532	14 907
Total number of households	**26 954**	**26 954**	**28 772**	**27 436**	**27 436**	**27 436**	**30 498**	**31 329**	**37 268**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	2 452	2 452	2 589	2 496	2 496	2 496	2 745	2 820	3 354
Flush toilet (with septic tank)	790	790	863	805	805	805	915	940	1 118
Chemical toilet	1 552	1 552	1 726	1 580	1 580	1 580	1 830	1 880	2 236
Pit toilet (ventilated)	2 940	2 940	3 165	2 993	2 993	2 993	3 355	3 446	4 099
Other toilet provisions (> min.service level)	6 721	6 721	6 906	6 842	6 842	6 842	7 319	7 519	8 945
Minimum Service Level and Above sub-total	14 455	14 455	15 249	14 716	14 716	14 716	16 164	16 605	19 752
Bucket toilet	174	174	288	173	173	173	305	313	373
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	12 325	12 325	13 235	12 547	12 547	12 547	14 029	14 411	17 143
Below Minimum Service Level sub-total	12 499	12 499	13 523	12 720	12 720	12 720	14 334	14 724	17 516
Total number of households	**26 954**	**26 954**	**28 772**	**27 436**	**27 436**	**27 436**	**30 498**	**31 329**	**37 268**
Energy:									
Electricity (at least min.service level)	14 124	14 124	16 700	14 380	14 380	14 380	17 702	17 765	19 890
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	14 124	14 124	16 700	14 380	14 380	14 380	17 702	17 765	19 890
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	12 830	12 830	12 072	13 056	13 056	13 056	12 796	13 564	17 378
Below Minimum Service Level sub-total	12 830	12 830	12 072	13 056	13 056	13 056	12 796	13 564	17 378
Total number of households	**26 954**	**26 954**	**28 772**	**27 436**	**27 436**	**27 436**	**30 498**	**31 329**	**37 268**
Refuse:									
Removed at least once a week	4 493	4 493	4 547	4 574	4 574	4 574	4 574	4 602	4 629
Minimum Service Level and Above sub-total	4 493	4 493	4 547	4 574	4 574	4 574	4 574	4 602	4 629
Removed less frequently than once a week	697	697	700	710	710	710	915	939	1 118
Using communal refuse dump	197	197	199	202	202	202	305	313	373
Using own refuse dump	16 552	16 552	16 850	16 853	16 853	16 853	18 604	19 110	22 733
Other rubbish disposal	221	221	221	226	226	226	248	263	279
No rubbish disposal	4 794	4 794	6 255	4 871	4 871	4 871	5 852	6 102	8 136
Below Minimum Service Level sub-total	22 461	22 461	24 225	22 862	22 862	22 862	25 924	26 727	32 639
Total number of households	**26 954**	**26 954**	**28 772**	**27 436**	**27 436**	**27 436**	**30 498**	**31 329**	**37 268**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)	–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per mo	3 310	3 310	2 314	3 475	3 475	3 475	2 453	2 600	2 756
Refuse (removed at least once a week)	1 200	1 200	–	1 260	1 260	1 260	–	–	–
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service)	–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per mo	232	232	2 691	2 400	3 634	3 634	2 810	7 976	8 415
Refuse (removed once a week)	1 336	1 336	–	1 411	1 411	1 411	1 220	1 292	1 363
Total cost of FBS provided (minimum social packa	**1 568**	**1 568**	**2 691**	**3 811**	**5 045**	**5 045**	**4 030**	**9 268**	**9 778**
Highest level of free service provided									
Property rates (R value threshold)	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)	–	50	50	50	50	50	50	50	50
Refuse (average litres per week)	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	–	–	–	387	387	387	589	623	658
Property rates (other exemptions, reductions and rebates)	–	–	–	1 521	1 521	1 521		1 117	1 179
Water	–	–	–	–	–	–	–	–	–
Sanitation	–	–	–	–	–	–	–	–	–
Electricity/other energy	–	–	2 691	2 400	2 400	2 400	2 549	2 699	2 848
Refuse	–	–	–	1 764	1 764	1 764	1 873	1 984	2 093
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)	**–**	**–**	**2 691**	**6 072**	**6 072**	**6 072**	**5 011**	**6 424**	**6 777**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
    a. Electricity services – backlog will be reduced by 1,714 households in 2014/15. As indicated elsewhere, the emphasis in the electricity sector is on providing electricity infrastructure to the uPhongolo households. Once the most pressing electricity backlog has been addressed, the electricity distribution network will be prioritised.
    b. Refuse services – This function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.
3. The budget provides for 2,453 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services. The number is set to increase to 2,756 households given the unfavourable economic conditions.
4. It is anticipated that these Free Basic Services will cost the municipality R4,1 million in 2014/15, increasing to R7,9 million in 2016/17. This is fully covered by the municipality's equitable share allocation from national government.
5. Currently, the 'free services' represent about 2 per cent of total operating revenue in 2014/15.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Municipal Manager.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP/Budget Process Plan 28 August 2013. Key dates applicable to the process were:

- **August 2013** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2013/14 MTREF;
- **December 2013** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;

- **January 2014** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2014** - Council considers the 2013/14 Mid-year Review and Adjustments Budget;
- **February 2014** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **February 2014** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2014/15 MTREF is revised accordingly;
- **March 20**14 - Tabling in Council of the draft 2014/15 IDP and 2014/15 MTREF for public consultation;
- **April 2014** – Public consultation;
- **May 2014** - Closing date for written comments;
- **May 2014** – Finalisation of the 2014/15 IDP and 2014/15 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **May 2014** - Tabling of the 2014/15 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2 *IDP and Service Delivery and Budget Implementation Plan*

This is the first review of the IDP as adopted by Council in May 2013. It started in September 2013 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2014/15 MTREF in August 2013.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the first revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;

- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2014/15 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2013/14 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 *Financial Modelling and Key Planning Drivers*

As part of the compilation of the 2014/15 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014/15 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2013/14 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

2.1.4 *Community Consultation*

The draft 2014/15 MTREF as tabled before Council on 31 March 2014 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2014/15 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

2.2 Overview of alignment of annual budget with IDP

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

The IDP developed by the municipality aims at building a foundation for economic growth which is supported by the implementation of the National Development Plan (NDP). This is evidenced by a significant budget allocated to the development of the infrastructure as well Local Economic Development (LED) The municipality has a clear understanding of both national and provincial intent which will enable the municipality to strategically comply with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The National Development Plan identified a number of microeconomic reforms needed to boost economic growth and include amongst others:

- reducing cost of living for poor households;
- reducing cost of doing business;
- support for small, medium and micro enterprises (SMMEs), business start-ups, a greener and more sustainable economy; and
- support for local production, employment through government procurement and broadening and strengthening industrial development.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 24 IDP Strategic Objectives

STRATEGIC OBJECTIVES - 2014/15 MTREF
Develop and implement credible third generation IDP; Promote quality service delivery through inclusive perfomance management system; employ and develop highly effective workforce representative of municipality demographic profile. Create a balance between employee productivity, welfare and capacity building.
Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination; provide safe and adequate habitable housing that is closer to amenities,create conducive environment for sports and recreational activities.
Create a conducive environment for investing and SMME and Co-operatives growth; increase the number of visitors to uPhongolo; Create temporary and permanent jobs; increase agricultural productivity.
Apply good finacial management in municipal finance dealings; Increase revenue collection and generation yearly; control and account for expenditure; enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets according to legislation.
Promote good governance, accountability and transparancy; placing the primary focus on addressing the needs of the communities; report regularly on municipal dealings.
Promote the environment conserbvation and management to ensure adverse environmental impacts are prevented and mitigated; Mitigate the HIV epidemic and promote positive living; provide disaster management and emergency services; ensure the needs of special groups are addressed; reduce crime rate, imoplement SPLUMA, uphold the rule of law and safety on pongola roads.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and

provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
    - Provide electricity;
    - Provide water;
    - Provide sanitation;
    - Provide waste removal;
    - Provide housing;
    - Provide roads and storm water; and
    - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
    - Ensuring there is a clear structural plan for the Municipality;
    - Ensuring planning processes function in accordance with set timeframes;
    - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective city cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring save working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
    - Optimising effective community participation in the ward committee system; and
    - Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;

- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 25 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Develop and implement credible third generation IDP; Promote quality service delivery through inclusive perfomance management system; employ and develop highly effective workforce representative of municipality demographic profile. Create a balance between employee productivity, welfare and capacity building	To increase employee capacity by a minimum of 10% each year.	A	A1; A2; A3; A4;A5	1 632	1 567	13 195	16 276	16 694	16 694	11 128	13 134	13 504
Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination; provide safe and adequate habitable housing that is closer to amenities,create conducive environment for sports and recreational activities	Ensure that every household has access to basic services by 2030	B	B1; B2; B3; B4;B5	32 304	37 671	60 492	82 168	83 241	83 241	65 970	74 823	76 460
Create a conducive environment for investing and SMME and Co-operatives growth; increase the number of visitors to uPhongolo; Create temporary and permanent jobs; increase agricultural productivity	To boost the Local Economy by 5 points each year.	C	C1; C2; C3;C4	43	523	3 436	2 357	20 738	20 738	4 566	8 392	8 581
Apply good finacial management in municipal finance dealings; Increase revenue collection and generation yearly; control and account for expenditure; enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets according to legislation.	To increase own revenue by 5% each year.		D1; D2; D3; D4	50 766	70 261	39 730	34 702	39 168	39 168	40 101	42 880	44 887
Promote good governance, accountability and transparancy; placing the primary focus on addressing the needs of the communities; report regularly on municipal dealings	Create a people centred democracy that is trasparant and responsive	E	E1; E2; E3	7 218	9 910	7 664	12 916	12 916	12 916	14 443	16 348	16 846
Promote the environment conserbvation and management to ensure adverse environmental impacts are prevented and mitigated; Mitigate the HIV epidemic and promote positive living; provide disaster management and emergency services; ensure the needs of special groups are addressed; reduce crime rate, imoplement SPLUMA, uphold the rule of law and safety on pongola roads.	To increase environmental and community safety	F	F1; F2; F3;F4;F5;F6; F7	3 662	4 599	13 217	14 053	15 386	15 386	14 376	15 804	16 567
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	95 625	124 531	137 734	162 471	188 143	188 143	150 584	171 380	176 845

Table 26 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Develop and implement credible third generation IDP; Promote quality service delivery through inclusive perfomance management system; employ and develop highly effective workforce representative of municipality demographic profile. Create a balance between employee productivity, welfare and capacity building	To increase employee capacity by a minimum of 10% each year.	A	A1; A2; A3; A4,A5	9 552	35 497	15 603	20 297	16 746	16 746	19 410	22 061	23 367
Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination; provide safe and adequate habitable housing that is closer to amenities,create conducive environment for sports and recreational activities	Ensure that every household has access to basic services by 2030	B	B1; B2; B3; B4;B5	28 779	32 610	37 090	45 277	49 831	49 831	54 791	68 284	69 606
Create a conducive environment for investing and SMME and Co-operatives growth; increase the number of visitors to uPhongolo; Create temporary and permanent jobs; increase agricultural productivity	To boost the Local Economy by 5 basis points each year.	C	C1; C2; C3;C4	2 007	1 929	3 034	4 938	5 837	5 837	8 719	13 203	13 305
Apply good finacial management in municipal finance dealings; Increase revenue collection and generation yearly; control and account for expenditure; enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets according to legislation.	To increase own revenue by 5% each year.		D1; D2; D3; D4	28 758	10 817	18 912	22 818	20 340	20 340	22 293	24 441	26 349
Promote good governance, accountability and transparancy; placing the primary focus on addressing the needs of the communities; report regularly on municipal dealings	Create a people centred democracy that is trasparant and responsive	E	E1; E2; E3	9 235	11 849	14 193	18 545	18 892	18 892	17 630	20 011	21 227
Promote the environment conserbvation and management to ensure adverse environmental impacts are prevented and mitigated; Mitigate the HIV epidemic and promote positive living; provide disaster management and emergency services; ensure the needs of special groups are addressed; reduce crime rate,	To increase environmental and community safety	F	F1; F2; F3: F4;F5,F6,F7	14 360	14 700	14 193	15 993	18 041	18 041	20 410	21 671	22 982
Allocations to other priorities												
Total Expenditure			1	92 691	107 403	103 025	127 868	129 686	129 686	143 252	169 672	176 837

Table 27 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Develop and implement credible third generation IDP; Promote quality service deliivery through inclusive perfomance management system; employ and develop highly effective workforce representative of municipality demographic profile. Create a balance between employee productivity, welfare and capacity building	To increase employee capacity by a minimum of 10% each year.	A	A1; A2; A3; A4	2 865	2 045	130	8 906	306	306	9 200	–	–
Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination; provide safe and adequate habitable housing that is closer to amenities,create conducive environment for sports and recreational activities	Ensure that every household has access to basic services by 2030	B	B1; B2; B3; B4;B5	27 183	36 032	17 410	43 488	46 822	46 822	44 854	45 239	46 753
Create a conducive environment for investing and SMME and Co-operatives growth; increase the number of visitors to uPhongolo; Create temporary and permanent jobs; increase agricultural productivity	To boost the Local Economy by 5 basis points each year.	C	C1; C2; C3;C4	–	–	1 271	1	11 700	11 700	–	–	–
Apply good finacial management in municipal finance dealings; Increase revenue collection and generation yearly; control and account for expenditure; enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets according to legislation.	To increase own revenue by 5% each year.		D1; D2; D3; D4	–	–	80	3 181	4 454	4 454	25	–	–
Promote good governance, accountability and transparancy; placing the primary focus on addressing the needs of the communities; report regularly on municipal dealings	Create a people centred democracy that is trasparant and responsive	E	E1; E2; E3	500	–	91	1 300	1 000	1 000	700	–	–
Promote the environment conserbvation and management to ensure adverse environmental impacts are prevented and mitigated; Mitigate the HIV epidemic and promote positive living; provide disaster management and emergency services; ensure the needs of special groups are addressed; reduce crime rate, imoplement SPLUMA, uphold the rule of law and safety on pongola roads.	To increase environmental and community safety	F	F1; F2; F3;F4;F5;F6; F7	1 145	–	250	751	1 454	1 454	1 557	8	8
Allocations to other priorities			3									
Total Capital Expenditure			1	31 693	38 076	19 232	57 627	65 736	65 736	56 336	45 247	46 761

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information. The Municipality has developed and implemented a performance management system which is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);

- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 28 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Planning & Development:Technical										
Function: Roads										
Sub-function: Eradication of backlogs										
Reduce roads and stormwater backlogs	Kilometers	7	7	7	7	7	7	9.9	10	10
Function: Roads										
Sub-function: Road maintenance										
Roads rehabilited	Kilometers	-	-	-	2	2	2	**7.5**	9.2	8
Function: Technical Services										
Sub-function: Eradication of backlogs										
New sub-rank for growth	Number	-	-	-	-	-	-	-	-	-
Sub-function: Eradication of backlogs										
Construction of community halls	Number	-	-	-	1	1	1	3	2	3
Sub-function: Eradication of backlogs										
Construction of sportfields	Number	-	-	-	3	3	3	3	3	-
Sub-function: Eradication of backlogs										
Construction of creches	Number	-	-	-	3	3	3	1	4	2
Community and Social Services										
Function: Local Economic Development										
Sub-function: Economic development										
Construction of flea market - phase 2	Number	-	-	-	-	-	-	-	-	-
Construction of Imbube Cultural Centre	Number	-	-	-	-	1	1			
Electricity Services										
Function: Electricity Services										
Sub-function: Electricity Services										
Households provided with electricity	Households	-	1 215	762	1 714	1 714	1 714	1610	857	857
Sub-function: Provide Public Lighting										
Installation of high mast in town		-	-	1	-	-	-	-	-	5
Sub-function: Excess to alternative										
Households provided with alternative energy	Households	-	-	1 059	1 065	1 065	1 065	1 130	1 050	1 000

The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

Table 29 MBRR Table SA8 - Performance indicators and benchmarks

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available										
Cash/cash equivalents at the year end	15 409	16 175	23 402	21 322	18 073	9 626	9 626	12 146	24 321	24 508
Other current investments > 90 days	–	–	–	–	–	–	–	–	–	–
Non current assets - Investments	–	–	–	–	–	–	–	–	–	–
Cash and investments available:	**15 409**	**16 175**	**23 402**	**21 322**	**18 073**	**9 626**	**9 626**	**12 146**	**24 321**	**24 508**
Application of cash and investments										
Unspent conditional transfers	14 784	5 445	6 043	1 840	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–		–	–	–
Statutory requirements	–	–	–	–	–	–	–	5 666	4 536	4 306
Other working capital requirements	(7 621)	(6 452)	(24 504)	2 924	(18 274)	(26 408)	(26 408)	(9 482)	(15 883)	(13 982)
Other provisions	5 886	6 404	3 862	6 852	6 852	6 852	6 852	7 084	7 330	7 588
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:	**13 049**	**5 398**	**(14 600)**	**11 617**	**(11 421)**	**(19 555)**	**(19 555)**	**3 267**	**(4 018)**	**(2 088)**
Surplus(shortfall)	**2 360**	**10 778**	**38 002**	**9 705**	**29 494**	**29 181**	**29 181**	**8 878**	**28 338**	**26 596**

2.2.1 *Performance indicators and benchmarks*

2.2.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, uPhongolo Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the MTREF from 4.6 per cent to 2.8 per cent in 2016/17, it needs to be noted that the increased capital grants and transfers has contributed to the decrease and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.
- *Capital charges to operating expenditure* is a measure of borrowing cost in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily declined from 2.1 per cent in 2014/15 to 1.9 per cent in 2016/17. This decrease can be attributed to the of small loans to fund portions of the capital programme in the two outer years of the MTREF. The norm is 6%-8%. Clearly the municipality is operating below the norm

which indicates that it has capacity to take on additional financing from borrowing to invest in infrastructure projects.

Although borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as excessive loans may have adverse financial leverage for the municipality.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 4.6 per cent which substantiates the above mentioned statement that the Municipality has not reached its prudential borrowing limits.

The Municipality has raised a combination of annuity and instalment sale loans in the past five years, hence effectively 'front-loading' its debt service costs. This is reflected in the Municipality's debt service profile, which predicts large debt service costs between 2014 and 2015. Debt service costs are expected to peak in 2014 due to the raising of new loans with the financial institutions.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

2.2.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. The debt equity ratio is 19.3 per cent in 2014/15 and escalates to 21.5 per cent by 2016/17.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. In 2014/15 the gearing ratio is 4.6 per cent and decreases to 3.5 per cent by 2016/15 In both instances the ratios are relatively low and this is primarily due to low borrowings in relation to own funds.

2.2.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014/15 MTREF the current ratio is 1.5 in 2014/15; 1.4 in 2015/16 and 1.2 in 2016/17. The norm range is between 1.5 to 2.1. The ratio for the 2014/15 MTREF indicates that the municipality will have difficulties in paying all its current or short term obligations when they fall due. Going forward it will be necessary to improve the liquidity levels.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year the ratio is 2.1 and decreases to 1.2 by 2016/17. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be maintained at a minimum of 1.

2.2.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.2.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.2.1.6 Other Indicators

- Employee costs as a percentage of operating expenditure decreases from 31.8 per cent in 2014/15 to 29.1 per cent by 2016/17. Similarly the total remuneration of Councillors also shows a decreasing trend from 5.2 per cent in 2014/15 to 4.6 per cent by 2016/17. The total remuneration to operating ratio is 36.9 per cent in 2014/15 and decreases to 33.7 per cent in 2016/17. The norm is 25% and 40%. Going forward, this ratio needs to be carefully monitored.
- Repairs and maintenance as percentage of operating revenue is increasing owing directly to cost drivers such as the increasing written down values of assets (WDV). In terms of Treasury Circular 66 the budget for repairs and maintenance should at least be 8 per cent of the WDV. The repairs and maintenance rate is 5.7 per cent in 2014/15 and 5.9 per cent by 2016/17. This rate has been arrived at by excluding the value of land from the written down value of total assets. Note land does not depreciate.

2.2.2 *Free Basic Services: basic social services package for indigent households*

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2014/15 financial year 2,453 registered indigents have been provided for in the budget with this figured increasing to 2,756 by 2016/17. In terms of the Municipality's indigent policy registered households are entitled to 50 kwh of electricity, and 80% waste removal as well as a 100 per cent rebate on the value of property for property rates purposes.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 42.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1. *Review of credit control and debt collection procedures/policies*

While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

The 2014/15 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 77 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2. Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3. Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4. Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in July 2006 and was last review in December 2013 to take into account the new regulations. An amended policy was considered by Council in December 2013.

2.4.5. Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget

and Virement Policy was approved by Council on 31 March 2014 in respect of both Operating and Capital Budget Fund Transfers.

2.4.6. Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy was approved by Council on 31 March 2014. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.7. Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Budget Policy; and
- Indigent Policy.

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;

- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration. Employee related costs comprise 31.8 per cent of total operating expenditure in the 2014/15 MTREF The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2009 as well as the categorisation and job evaluation wage curves collective agreement signed on 21 April 2010 must be noted.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2014/15 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (77 per cent) of annual billings. Cash flow is assumed to be 77 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.6 *Salary increases*

The collective agreement regarding salaries/wages came into operation on 1 July 2009 and shall remain in force until 30 June 2015. Year three is an across the board increase of 5.54 per cent.

2.5.7 *Impact of national, provincial and local policies*

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture;
- Fighting crime and corruption; and
- Economic growth.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 *Ability of the municipality to spend and deliver on the programmes*

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 *Medium-term outlook: operating revenue*

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of at least 77 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

New developments are taking place in uPhongolo. As the levying of property rates is considered strategic revenue source a further supplementary valuation process will be undertaken in the 4th quarter of the 2014/15 financial year. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity, and refuse removal constitute the biggest component of the revenue basket of the Municipality. With new developments taking place, it is expected that revenue from this services will grow exponentially.

Operational grants and subsidies are a major source of operating revenue. It needs to be noted that in real terms the grants receipts from national and provincial government are growing rapidly over the MTREF by 13.2 and 23.1 per cent for the two outer years.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R1,3 million, R1,4 million and R1,5 million for the respective three financial years of the 2014/15 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 31 MBRR SA15 – Detail Investment Information

Investment type R thousand	Ref	2010/11 Audited Outcome	2011/12 Audited Outcome	2012/13 Audited Outcome	Current Year 2013/14 Original Budget	 Adjusted Budget	 Full Year Forecast	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	 Budget Year +1 2015/16	 Budget Year +2 2016/17
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		12 207	8 734	22 873	21 318	18 070	9 622	12 142	24 315	24 503
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Consolidated total:		**12 207**	**8 734**	**22 873**	**21 318**	**18 070**	**9 622**	**12 142**	**24 315**	**24 503**

Table 32 MBRR SA16 – Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Interest Rate 3.	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality									
First National Bank	1 day call	Call Deposits	6-8%	On Call	5 196	1 319	(107 572)	107 572	**6 516**
Standard Bank	1 day call	Money Market	5-6%	On Call	2 021	201	–	757	**2 979**
Nedbank	1 day call	Money Market	5-6%	On Call	2 406	241	(35 673)	35 673	**2 647**
									–
									–
									–
									–
TOTAL INVESTMENTS AND INTEREST					**9 622**		**(143 245)**	**144 002**	**12 142**

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The 2014/15 MTREF therefore provides for a budgeted surplus of in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.6.2 *Medium-term outlook: capital revenue*

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

Table 33 Sources of capital revenue over the MTREF

Description	2013/14 Medium Term Revenue & Expenditure Framework							
	Adjusted Budget 2013/14	%	Budget Year 2014/15	%	Budget Year 2015/16	%	Budget Year 2016/17	%
Funded by:								
National Government	47 973 250	83.2	38 789 000	68.9	43 089 000	95.2	44 203 000	94.5
Provincial Government			-		-			
Transfers recognised – capital	**47 973 250**	83.3	**38 789 000**	**68.9**	**43 089 000**	**95.2**	**44 203 000**	**94.5**
Borrowings	7 279 000	12.6	10 215 000	18.1	450 000	1.0	2 550 000	**5.5**
Internally generated funds	2 375 000	4.1	7 331 950	13.0	1 708 000	3.8	8 000	**0.0**
Total Capital Funding	**57 627 250**	**100.0**	**56 335 950**	**100.0**	**45 247 000**	**100.0**	**46 761 000**	**100.0**

The above table is graphically represented as follows for the 2014/15 MTREF.

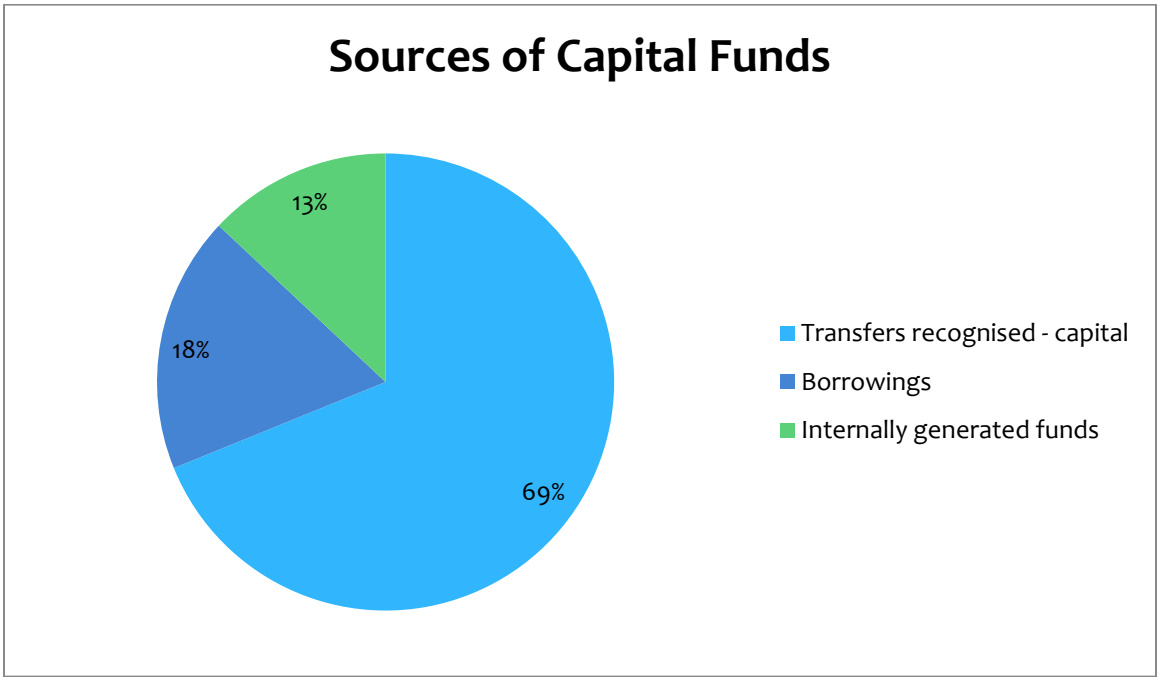


Figure 4 Sources of capital revenue for the 2014/15 financial year

Capital grants and receipts equates to 69 per cent of the total funding source which represents R38,8 million for the 2014/15 financial year.

Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R10,2 million to be raised in 2014/15 or 18 per cent of the total funding sources. As explained earlier, the borrowing capacity of the Municipality has not yet

reached its limits and there is still room for additional borrowings. However, further borrowings should be carefully considered against the level of cash resources. At this stage more borrowing than budgeted for should not be considered as this might adversely affect the solvency of the municipality.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 34 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality										
Long-Term Loans (annuity/reducing balance)		3 213	2 430	845	12 091	1 235	1 235	4 805	4 029	4 335
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit		–	2 576	1 272	6 602	5 780	5 780	10 085	9 642	9 680
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Total Borrowing	1	**3 213**	**5 006**	**2 117**	**18 693**	**7 014**	**7 014**	**14 890**	**13 671**	**14 015**

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)		–	–	–	–	–	–	–	–	–
Local registered stock		–	–	–	–	–	–	–	–	–
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		–	–	–	–	–	–	–	–	–
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Total Unspent Borrowing	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R7,3 million in 2014/15, and R8 thousand in 2016/17.

Table 35 MBRR Table SA 18 - Capital transfers and grant receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure & funds sources										
Capital expenditure	31 693	38 076	19 232	57 627	65 736	65 736	65 736	56 336	45 247	46 761
Transfers recognised - capital	8 072	**24 613**	18 616	36 501	56 082	56 082	56 082	38 789	43 089	44 203
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	4 154	–	17 543	7 279	7 279	7 279	10 215	–	–
Internally generated funds	23 621	9 309	616	3 584	2 375	2 375	2 375	7 332	2 158	2 558
Total sources of capital funds	**31 693**	**38 076**	**19 232**	**57 627**	**65 736**	**65 736**	**65 736**	**56 336**	**45 247**	**46 761**

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 36 MBRR Table A7 - Budget cash flow statement

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other	33 570	37 882	57 639	49 716	55 356	55 356	55 356	66 184	69 951	73 806
Government - operating	47 433	57 611	63 318	72 388	73 197	73 197	73 197	82 855	100 462	102 027
Government - capital	8 072	24 613	21 784	36 501	56 082	56 082	56 082	38 789	43 089	44 203
Interest	4 140	3 866	4 325	1 314	1 377	1 377	1 377	5 588	5 600	5 908
Dividends	–	–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees	(63 497)	(91 209)	(116 357)	(113 550)	(126 991)	(126 991)	(126 991)	(147 839)	(162 031)	(168 682)
Finance charges	(399)	(752)	(765)	(1 339)	(405)	(405)	(405)	(471)	(571)	(604)
Transfers and Grants	–	–	–	–	–	–	–	(2 810)	(7 976)	(8 415)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**29 318**	**32 012**	**29 945**	**45 031**	**58 616**	**58 616**	**58 616**	**42 295**	**48 524**	**48 243**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	846	1 350	(560)	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	3 263	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	688	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–
Payments										
Capital assets	(18 532)	(39 409)	(19 232)	(57 627)	(65 736)	(65 736)	(65 736)	(56 336)	(45 247)	(46 761)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(17 686)**	**(34 797)**	**(19 104)**	**(57 627)**	**(65 736)**	**(65 736)**	**(65 736)**	**(56 336)**	**(45 247)**	**(46 761)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	–	–	(907)	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	(729)	(1 409)	17 543	7 279	7 279	7 279	10 215	450	2 550
Increase (decrease) in consumer deposits	1 815	299	–	–	–	–	–	–	–	–
Payments										
Repayment of borrowing	(1 542)	3 982	(1 297)	(3 125)	(1 587)	(1 587)	(1 587)	(2 022)	(2 545)	(2 723)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**273**	**3 551**	**(3 614)**	**14 418**	**5 692**	**5 692**	**5 692**	**8 193**	**(2 095)**	**(173)**
NET INCREASE/ (DECREASE) IN CASH HELD	**11 904**	**767**	**7 226**	**1 821**	**(1 427)**	**(1 427)**	**(1 427)**	**(5 848)**	**1 183**	**1 309**
Cash/cash equivalents at the year begin:	**3 504**	**15 409**	**16 175**	19 500	**19 500**	**19 500**	**19 500**	**18 073**	**12 225**	**13 408**
Cash/cash equivalents at the year end:	**15 409**	**16 175**	**23 402**	**21 322**	**18 073**	**18 073**	**18 073**	**12 225**	**13 408**	**14 718**

The above table shows that cash and cash equivalents of the Municipality are largely depleted in 2014/15 and increase in 2016/17. The Municipality plans to undertake an extensive debt collection process to boost cash levels and has acquired the services of a reputable debt collecting firm. It is expected the interventions will translate into a positive cash position for the Municipality and it is projected that cash and cash equivalents on hand will increase to R14,7 million by 2016/17.

2.6.4 *Cash Backed Reserves/Accumulated Surplus Reconciliation*

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 37 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available										
Cash/cash equivalents at the year end	15 409	16 175	23 402	21 322	18 073	9 626	9 626	12 146	24 321	24 508
Other current investments > 90 days	–	–	–	–	–	–	–	–	–	–
Non current assets - Investments	–	–	–	–	–	–	–	–	–	–
Cash and investments available:	**15 409**	**16 175**	**23 402**	**21 322**	**18 073**	**9 626**	**9 626**	**12 146**	**24 321**	**24 508**
Application of cash and investments										
Unspent conditional transfers	14 784	5 445	6 043	1 840	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–		–	–	–
Statutory requirements	–	–	–	–	–	–	–	5 666	4 536	4 306
Other working capital requirements	(7 621)	(6 452)	(24 504)	2 924	(18 274)	(26 408)	(26 408)	(9 482)	(15 883)	(13 982)
Other provisions	5 886	6 404	3 862	6 852	6 852	6 852	6 852	7 084	7 330	7 588
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:	**13 049**	**5 398**	**(14 600)**	**11 617**	**(11 421)**	**(19 555)**	**(19 555)**	**3 267**	**(4 018)**	**(2 088)**
Surplus(shortfall)	**2 360**	**10 778**	**38 002**	**9 705**	**29 494**	**29 181**	**29 181**	**8 878**	**28 338**	**26 596**

From the above table it can be seen that the cash and investments available total R11,2 million in the 2014/15 financial year and decrease to R7,9 million by 2016/17, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

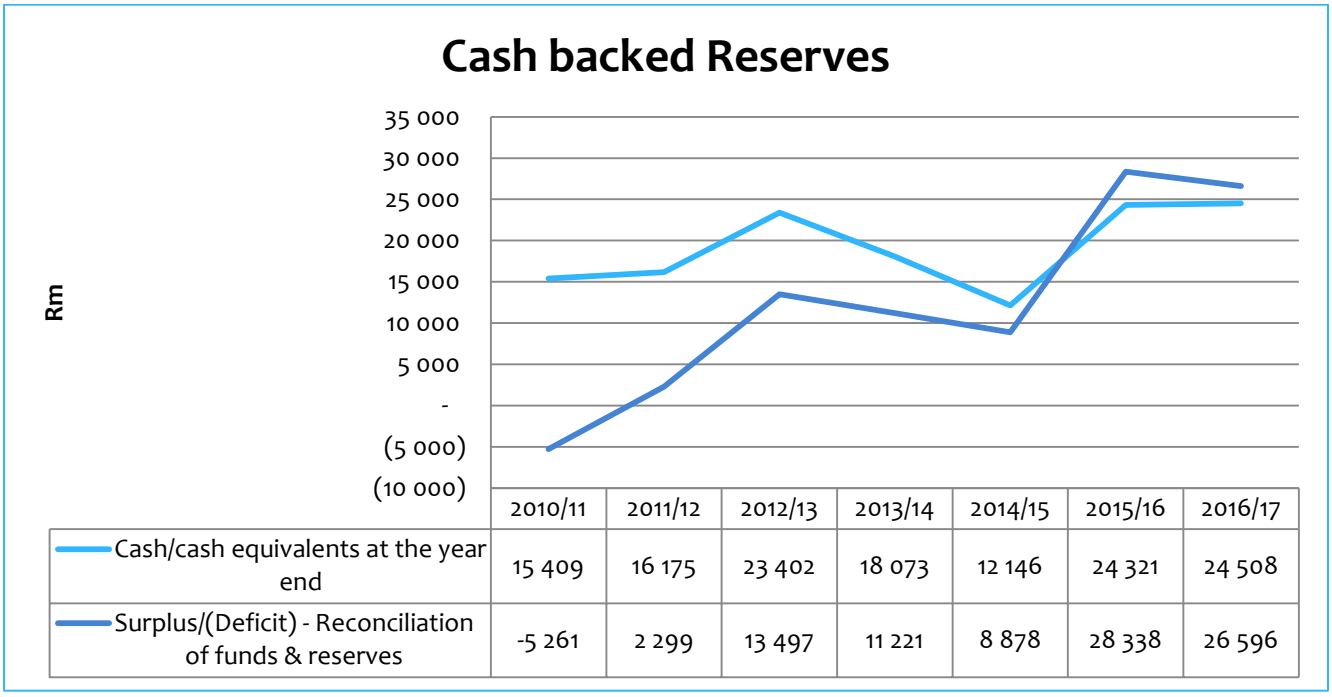
- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. For the 2014/15 MTREF no provision has been made for this

liability as the total conditional grants allocated have been factored into the 2014/15 MTREF capital programme of the Municipality.

- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet current obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- The provision for the landfill site rehabilitation is not cash backed. In future a need for a cash backed reserve will have to be created.

It can be concluded that the Municipality has a surplus against the cash backed and accumulated surpluses reconciliation. The level of cash-backing progressively improved over the 2014/15 MTREF. It should be noted that from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible considering the funding requirements of section 18 and 19 of the MFMA. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Cash/cash equivalents at the year end	15 409	16 175	23 402	18 073	12 146	24 321	24 508
Surplus/(Deficit) - Reconciliation of funds & reserves	-5 261	2 299	13 497	11 221	8 878	28 338	26 596

Figure 5 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.5 *Funding compliance measurement*

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 38 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	15 409	16 175	23 402	21 322	18 073	9 626	9 626	12 146	24 321	24 508
Cash + investments at the yr end less applications - R'000	18(1)b	2	2 360	10 778	38 002	9 705	29 494	29 181	29 181	8 878	28 338	26 596
Cash year end/monthly employee/supplier payments	18(1)b	3	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	2 934	37 886	34 709	34 603	58 457	58 457	58 457	46 121	44 797	44 211
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	9.1%	19.3%	(4.9%)	5.9%	(6.0%)	(6.0%)	10.3%	(1.0%)	(0.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	91.2%	92.0%	111.9%	95.1%	96.3%	96.3%	96.3%	77.3%	80.7%	82.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	58.3%	10.3%	5.8%	3.1%	2.8%	2.8%	2.8%	2.5%	2.5%	2.5%
Capital payments % of capital expenditure	18(1)c;19	8	58.5%	93.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	(0.4%)	(228.9%)	83.0%	75.4%	75.4%	75.4%	58.2%	20.9%	99.7%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	31.3%	35.6%	(53.4%)	135.5%	21.4%	0.0%	(15.4%)	9.8%	1.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(78.9%)	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	5.2%	4.3%	6.7%	5.6%	7.3%	7.3%	6.8%	5.3%	7.0%	5.6%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	10.3%	9.0%	9.0%	0.0%	14.6%	20.3%	23.5%

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2014/15 MTREF shows R12,1 million, R24,3 million and R26,6 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25. The reconciliation is intended to be a relatively simple methodology for understanding the

budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality

be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been fluctuating significantly for the period 2010/11 to 2012/13, moving from 2.5 per cent to 3.5 per cent by 2012/13. For the 2014/15 MTREF the ration remains constant at 1.4. As indicated above the Municipality aims to achieve at least 1.5 month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2014/15 MTREF the indicative outcome is a surplus of R46,1 million, R44.7 million and R44,2 thousand respectively.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 10.0 in 2014/15, and then becomes negative at 0.0.1 and 0.5 per cent for the two outer years of the 2014/15 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 6.2 per cent, with the increase in electricity at 7.39

per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 100.0 in 2014/15 and 99.8 per cent in each of the two outer years of the MTREF. Given that the assumed collection rate was based on a 77 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 2.5 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that no timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to meet the commitments in the relevant accounting period.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been be excluded. It can be seen that borrowing equates to 58.2 per cent of own funded capital.

2.6.5.10Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could

indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. This measures shows a relatively low trend which is not in line with the Municipality's policy of settling debtors accounts within 30 days.

2.6.5.12Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table 52 MBRR SA34C on page 89.

2.6.5.13Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 51 MBRR SA34b on page 88.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 39 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**45 824**	**55 912**	**62 263**	**69 929**	**823**	**70 752**	**81 553**	**99 247**	**100 533**
Local Government Equitable Share	43 874	52 612	59 786	66 389		66 389	76 982	96 330	97 415
Finance Management	1 200	1 500	1 500	1 650		1 650	1 800	1 950	2 100
Municipal Systems Improvement	750	800	800	890		890	934	967	1 018
Expanded Public Works Programme Integrate	–	1 000	177	1 000	823	1 823	1 837	–	–
Provincial Government:	**–**	**402**	**637**	**1 225**	**434**	**1 520**	**1 202**	**1 115**	**1 394**
Community Library Services	–	–	106	139	125	125	132	138	365
Provincialisation of Libraries	–	402	440	886		886	920	977	1 029
Maintenance of Sports Facility							150	–	–
Thusong Centre	–	–	91	–	309	309	–	–	–
IDP - Public Participation	–	–		200		200	–	–	–
District Municipality:	**50**	**50**	**100**	**50**	**–**	**50**	**100**	**100**	**100**
ZDM Subsidy	50	50	100	50		50	100	100	100
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total operating expenditure of Transfers and G	**45 874**	**56 364**	**63 000**	**71 204**	**1 257**	**72 322**	**82 855**	**100 462**	**102 027**
Capital expenditure of Transfers and Grants									
National Government:	**22 963**	**25 793**	**20 326**	**37 685**	**3 681**	**41 366**	**38 789**	**43 089**	**44 203**
Municipal Infrastructure Grant (MIG)	13 963	16 793	16 690	23 685	3 681	27 366	26 789	28 089	29 203
Integrated Electrification- DME	9 000	9 000	3 636	14 000	–	14 000	12 000	15 000	15 000
Provincial Government:	**–**	**–**	**1 458**	**–**	**15 900**	**15 900**	**–**	**–**	**–**
Sports Facility			–	–	1 200	1 200	–	–	–
Small Town Rehabilitation & sports farcility			1 458	–	14 700	14 700	–	–	–
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
ZDM Subsidy									
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total capital expenditure of Transfers and Gran	**22 963**	**25 793**	**21 784**	**37 685**	**19 581**	**57 266**	**38 789**	**43 089**	**44 203**
TOTAL EXPENDITURE OF TRANSFERS AND GI	**68 837**	**82 157**	**84 784**	**108 889**	**20 838**	**129 588**	**121 644**	**143 551**	**146 230**

Table 40 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–		–	–	–	–	–	–
Current year receipts	45 824	55 112	59 786	69 929	823	70 752	81 553	99 247	100 533
Conditions met - transferred to revenue	**45 824**	**55 112**	**58 963**	**69 929**	**823**	**70 752**	**81 553**	**99 247**	**100 533**
Conditions still to be met - transferred to liabilities	–	–	823	–	–	–			
Provincial Government:									
Balance unspent at beginning of the year	–	–	1 740	–	–	–	–	–	–
Current year receipts	–	402	946	1 225	(14)	1 211	1 202	1 115	1 394
Conditions met - transferred to revenue	**–**	**402**	**955**	**1 225**	**(14)**	**1 211**	**1 202**	**1 115**	**1 394**
Conditions still to be met - transferred to liabilities			1 731	–	–	–			
District Municipality:									
Balance unspent at beginning of the year	–	–	–	–	–	–			
Current year receipts	50	50	100	50	–	50	100	100	100
Conditions met - transferred to revenue	**50**	**50**	**–**	**50**	**–**	**50**	**100**	**100**	**100**
Conditions still to be met - transferred to liabilities			100						
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	**45 874**	**55 564**	**59 918**	**71 204**	**809**	**72 013**	**82 855**	**100 462**	**102 027**
Total operating transfers and grants - CTBM	**–**	**–**	**2 654**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–	–	–	3 681	3 681	–	–	–
Current year receipts	22 963	25 793	20 371	37 685	37 685	37 685	38 789	43 089	44 203
Conditions met - transferred to revenue	**22 963**	**25 793**	**21 667**	**37 685**	**41 366**	**41 366**	**38 789**	**43 089**	**44 203**
Conditions still to be met - transferred to liabilities	–	–	(1 296)	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year			2 418	–	13 185	13 185	–	–	–
Current year receipts	–	–	12 225	–	3 675	3 675	–	–	–
Conditions met - transferred to revenue	**–**	**–**	**1 458**	**–**	**16 860**	**16 860**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	–	–	13 185	–	–	–			
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	–	–	–						
Current year receipts	–	3 600	–						
Conditions met - transferred to revenue	**–**	**3 600**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	–	–	–						
Total capital transfers and grants revenue	**22 963**	**29 393**	**23 125**	**37 685**	**58 226**	**58 226**	**38 789**	**43 089**	**44 203**
Total capital transfers and grants - CTBM	**–**	**–**	**11 889**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE	**68 837**	**84 957**	**83 043**	**108 889**	**59 035**	**130 239**	**121 644**	**143 551**	**146 230**
TOTAL TRANSFERS AND GRANTS - CTBM	**–**	**–**	**14 543**	**–**	**–**	**–**	**–**	**–**	**–**

2.8 Councillor and employee benefits

Table 41 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	2 672	4 250	4 255	4 812	4 785	4 785	5 024	5 275	5 539
Pension and UIF Contributions	–	–	–	–	–	–	–	–	–
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	1 229	1 293	1 418	1 604	1 595	1 595	1 675	1 758	1 846
Cellphone Allowance	319	299	323	464	563	563	592	621	652
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	–	–	–	97	97	102	107	113
Sub Total - Councillors	**4 220**	**5 842**	**5 997**	**6 880**	**7 041**	**7 041**	**7 393**	**7 762**	**8 150**
% increase		**38.4%**	**2.6%**	**14.7%**	**2.3%**	**–**	**5.0%**	**5.0%**	**5.0%**
Senior Managers of the Municipality									
Basic Salaries and Wages	1 770	1 180	2 209	4 639	2 983	2 983	2 975	3 165	3 368
Pension and UIF Contributions	8	22	5	–	–	–	8	8	9
Medical Aid Contributions	37	–	–	–	–	–	–	–	–
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	231	–	–	526	–	–	417	443	472
Motor Vehicle Allowance	440	345	235	408	80	80	780	830	883
Cellphone Allowance	40	29	17	54	–	–	68	73	77
Housing Allowances	160	–	–	188	–	–	–	–	–
Other benefits and allowances	378	270	147	71	–	–	–	–	–
Payments in lieu of leave	–	130	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	**3 064**	**1 976**	**2 613**	**5 886**	**3 063**	**3 063**	**4 248**	**4 520**	**4 809**
% increase		**(35.5%)**	**32.3%**	**125.2%**	**(48.0%)**	**–**	**38.7%**	**6.4%**	**6.4%**
Other Municipal Staff									
Basic Salaries and Wages	15 648	18 512	20 991	21 264	24 250	24 250	30 739	32 696	34 771
Pension and UIF Contributions	1 848	1 879	2 171	2 340	2 741	2 741	3 688	3 924	4 175
Medical Aid Contributions	707	986	1 268	1 069	1 444	1 444	1 552	1 651	1 757
Overtime	1 856	2 387	2 178	1 720	1 512	1 512	1 242	1 322	1 405
Performance Bonus	1 120	1 167	1 472	1 840	2 862	2 862	2 402	2 555	2 717
Motor Vehicle Allowance	550	826	1 208	1 097	1 199	1 199	1 442	1 535	1 633
Cellphone Allowance	–	–	47	49	53	53	58	62	65
Housing Allowances	27	25	30	41	28	28	29	31	32
Other benefits and allowances	173	197	456	251	373	373	266	283	301
Payments in lieu of leave	533	233	–	–	–	–	–	–	–
Long service awards	1 125	(72)	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	**23 586**	**26 140**	**29 821**	**29 670**	**34 463**	**34 463**	**41 417**	**44 057**	**46 856**
% increase		**10.8%**	**14.1%**	**(0.5%)**	**16.2%**	**–**	**20.2%**	**6.4%**	**6.4%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**30 870**	**33 958**	**38 431**	**42 436**	**44 567**	**44 567**	**53 058**	**56 339**	**59 816**
% increase		**10.0%**	**13.2%**	**10.4%**	**5.0%**	**–**	**19.1%**	**6.2%**	**6.2%**
TOTAL MANAGERS AND STAFF	**26 650**	**28 116**	**32 434**	**35 555**	**37 526**	**37 526**	**45 665**	**48 577**	**51 665**

Table 42 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors							
Speaker	1	427 031	–	168 035			595 066
Chief Whip	–	–	–	–			–
Executive Mayor	1	293 584	–	123 552			417 136
Deputy Executive Mayor	1	234 867	–	103 980			338 847
Executive Committee	3	660 562	–	297 261			957 823
Total for all other councillors	21	3 408 240	–	1 675 600			5 083 840
Total Councillors	**27**	**5 024 284**	**–**	**2 368 428**			**7 392 712**
Senior Managers of the Municipality							
Municipal Manager	1	705 972	–	199 500	98 832		1 004 304
Chief Finance Officer	1	682 836	–	183 900	95 592		962 328
Corporate Services Manager	1	528 756	–	157 500	74 028		760 284
Technical Services Manager	1	528 756	–	157 500	74 028		760 284
Community Services Manager	1	528 756	–	157 500	74 028		760 284
Total Senior Managers of the Municipality	**5**	**2 975 076**	**–**	**855 900**	**416 508**		**4 247 484**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**32**	**7 999 360**	**–**	**3 224 328**	**416 508**		**11 640 196**

Table 43 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2012/13			Current Year 2013/14			Budget Year 2014/15		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	27		27	27		27	27		27
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	5	3		5	5		5	8	
Other Managers	2	1	1	5	5		6	6	
Professionals	*23*	*23*	–	*25*	*25*	–	*23*	*13*	–
Finance	3	3		5	5		3	3	
Spatial/town planning									
Information Technology									
Roads									
Electricity									
Water									
Sanitation									
Refuse									
Other	20	20		20	20		20	10	
Technicians	*95*	*110*	–	*21*	*21*	–	*107*	*89*	–
Finance	26	26					26	26	
Spatial/town planning									
Information Technology									
Roads	48	63					48	30	
Electricity									
Water									
Sanitation									
Refuse							12	12	
Other	21	21		21	21		21	21	
Clerks (Clerical and administrative)							77	20	
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	28	24					28	24	
Elementary Occupations	74	74	50	124	100	24	58	30	
TOTAL PERSONNEL NUMBERS	**254**	**235**	**78**	**207**	**156**	**51**	**331**	**190**	**27**
% increase				(18.5%)	(33.6%)	(34.6%)	59.9%	21.8%	(47.1%)
Total municipal employees headcount									
Finance personnel headcount	**24**	**17**	**7**	**29**	**29**	**7**	**24**	**17**	**7**
Human Resources personnel headcount	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**

2.9 Monthly targets for revenue, expenditure and cash flow

Table 45 MBRR SA25 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source															
Property rates	–	–	2 340	2 340	2 340	2 340	2 340	2 340	2 340	2 340	2 340	2 001	23 064	24 425	25 768
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2 172	2 172	2 172	2 172	2 172	2 172	2 172	2 172	2 172	2 172	2 172	2 634	26 529	27 604	29 123
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	565	565	565	565	565	565	565	565	565	565	565	565	6 785	7 185	7 580
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	116	116	116	116	116	116	116	116	116	116	116	116	1 390	1 471	1 552
Interest earned - external investments	122	122	122	122	122	122	122	122	122	122	122	422	1 762	1 548	1 633
Interest earned - outstanding debtors	319	319	319	319	319	319	319	319	319	319	319	319	3 826	4 051	4 274
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	33	33	33	33	33	33	33	33	33	33	33	33	398	421	444
Licences and permits	203	203	203	203	203	203	203	203	203	203	203	203	2 436	2 580	2 722
Agency services	60	60	60	60	60	60	60	60	60	60	60	60	722	764	806
Transfers recognised - operational	35 634				25 661				21 560			–	82 855	100 462	102 027
Other revenue	68	68	68	68	68	68	68	68	68	68	68	68	819	867	915
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**39 293**	**3 659**	**5 999**	**5 999**	**31 660**	**5 999**	**5 999**	**5 999**	**27 559**	**5 999**	**5 999**	**6 420**	**150 584**	**171 380**	**176 845**
Expenditure By Type															
Employee related costs	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 805	45 665	48 577	51 665
Remuneration of councillors	616	616	616	616	616	616	616	616	616	616	616	616	7 393	7 762	8 150
Debt impairment	121	121	121	121	121	121	121	121	121	121	121	121	1 454	1 540	1 625
Depreciation & asset impairment	338	338	338	338	338	338	338	338	338	338	338	814	4 536	5 441	6 376
Finance charges	39	39	39	39	39	39	39	39	39	39	39	538	970	571	604
Bulk purchases	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 941	23 299	24 673	26 030
Other materials	748	748	748	748	748	748	748	748	748	748	748	748	8 978	15 645	13 960
Contracted services	953	953	953	953	953	953	953	953	953	953	953	491	10 974	12 111	12 777
Transfers and grants	234	234	234	234	234	234	234	234	234	234	234	235	2 810	7 976	8 415
Other expenditure	3 098	3 098	3 098	3 098	3 098	3 098	3 098	3 098	3 098	3 098	3 098	3 098	37 174	45 376	47 236
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**11 895**	**11 895**	**11 895**	**11 895**	**11 895**	**11 895**	**11 895**	**11 895**	**11 895**	**11 895**	**11 895**	**12 407**	**143 252**	**169 672**	**176 837**
Surplus/(Deficit)	**27 398**	**(8 236)**	**(5 896)**	**(5 896)**	**19 765**	**(5 896)**	**(5 896)**	**(5 896)**	**15 664**	**(5 896)**	**(5 896)**	**(5 987)**	**7 332**	**1 708**	**8**
Transfers recognised - capital	16 679				12 025				10 085			–	38 789	43 089	44 203
Contributions recognised - capital												–	–	–	–
Contributed assets												–	–	–	–
Surplus/(Deficit)	**44 077**	**(8 236)**	**(5 896)**	**(5 896)**	**31 790**	**(5 896)**	**(5 896)**	**(5 896)**	**25 749**	**(5 896)**	**(5 896)**	**(5 987)**	**46 121**	**44 797**	**44 211**

Table 45 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 1 - Governance and Administration	5 259	468	468	468	3 922	468	468	468	3 365	468	468	468	16 758	18 552	19 116
Vote 2 - Financial Services	7 297	2 426	2 426	2 426	5 938	2 426	2 426	2 426	5 371	2 426	2 426	2 087	40 101	42 880	44 887
Vote 3 - Corporate Services	3 389	96	96	96	2 470	96	96	96	2 087	96	96	96	8 814	10 929	11 234
Vote 4 - Community and Social Services	2 039	227	227	227	1 533	227	227	227	1 323	227	227	227	6 939	7 651	8 159
Vote 5 - Sports and Recreation	886	21	21	21	645	21	21	21	544	21	21	21	2 262	2 376	2 435
Vote 6 - Public Safety	1 857	121	121	121	1 373	121	121	121	1 171	121	121	(219)	5 151	5 749	5 944
Vote 7 - Planning and Development	14 489	168	168	168	10 493	168	168	168	8 827	168	168	168	35 320	38 902	40 294
Vote 8 - Roads Transport	3 014	203	203	203	2 229	203	203	203	1 903	203	203	203	8 974	11 292	10 606
Vote 9 - Environmental Protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Other	515	9	9	9	373	9	9	9	315	9	9	8	1 279	1 431	1 461
Vote 11 - Housing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity Services	13 682	2 202	2 202	2 202	10 479	2 202	2 202	2 202	9 144	2 202	2 202	2 664	53 587	63 712	65 425
Vote 13 - Water Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste Water Management	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management	1 883	600	600	600	1 525	600	600	600	1 376	600	600	601	10 188	10 994	11 487
Total Revenue by Vote	**54 310**	**6 542**	**6 542**	**6 542**	**40 979**	**6 542**	**6 542**	**6 542**	**35 425**	**6 542**	**6 542**	**6 324**	**189 373**	**214 469**	**221 048**
Vote 1 - Governance and Administration	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 843	22 307	23 905	25 288
Vote 2 - Financial Services	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 687	22 293	24 441	26 349
Vote 3 - Corporate Services	1 266	1 266	1 266	1 266	1 266	1 266	1 266	1 266	1 266	1 266	1 266	804	14 732	17 676	18 824
Vote 4 - Community and Social Services	697	697	697	697	697	697	697	697	697	697	697	697	8 362	8 878	9 421
Vote 5 - Sports and Recreation	333	333	333	333	333	333	333	333	333	333	333	333	3 993	4 232	4 471
Vote 6 - Public Safety	668	668	668	668	668	668	668	668	668	668	668	668	8 011	8 515	9 042
Vote 7 - Planning and Development	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 309	13 164	17 940	18 359
Vote 8 - Roads Transport	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	12 970	16 722	15 648
Vote 9 - Environmental Protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Other	195	195	195	195	195	195	195	195	195	195	195	195	2 335	2 475	2 613
Vote 11 - Housing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity Services	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 430	29 166	38 620	40 209
Vote 13 - Water Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste Water Management	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management	493	493	493	493	493	493	493	493	493	493	493	493	5 919	6 268	6 613
Total Expenditure by Vote	**11 956**	**11 956**	**11 956**	**11 956**	**11 956**	**11 956**	**11 956**	**11 956**	**11 956**	**11 956**	**11 956**	**11 540**	**143 252**	**169 672**	**176 837**
Surplus/(Deficit) for the year	**42 354**	**(5 414)**	**(5 414)**	**(5 414)**	**29 023**	**(5 414)**	**(5 414)**	**(5 414)**	**23 469**	**(5 414)**	**(5 414)**	**(5 215)**	**46 121**	**44 797**	**44 211**

Table 46 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard															
Governance and administration	15 944	2 991	2 991	2 991	12 329	2 991	2 991	2 991	10 823	2 991	2 991	2 651	65 672	72 361	75 237
Executive and council	5 259	468	468	468	3 922	468	468	468	3 365	468	468	468	16 758	18 552	19 116
Budget and treasury office	7 297	2 426	2 426	2 426	5 938	2 426	2 426	2 426	5 371	2 426	2 426	2 087	40 101	42 880	44 887
Corporate services	3 389	96	96	96	2 470	96	96	96	2 087	96	96	96	8 814	10 929	11 234
Community and public safety	4 782	369	369	369	3 551	369	369	369	3 037	369	369	29	14 352	15 777	16 539
Community and social services	2 039	227	227	227	1 533	227	227	227	1 323	227	227	227	6 939	7 651	8 159
Sport and recreation	886	21	21	21	645	21	21	21	544	21	21	21	2 262	2 376	2 435
Public safety	1 857	121	121	121	1 373	121	121	121	1 171	121	121	(219)	5 151	5 749	5 944
Economic and environmental services	17 503	371	371	371	12 722	371	371	371	10 730	371	371	371	44 294	50 194	50 900
Planning and development	14 489	168	168	168	10 493	168	168	168	8 827	168	168	168	35 320	38 902	40 294
Road transport	3 014	203	203	203	2 229	203	203	203	1 903	203	203	203	8 974	11 292	10 606
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services	15 565	2 803	2 803	2 803	12 004	2 803	2 803	2 803	10 520	2 803	2 803	3 265	63 775	74 706	76 911
Electricity	13 682	2 202	2 202	2 202	10 479	2 202	2 202	2 202	9 144	2 202	2 202	2 664	53 587	63 712	65 425
Waste management	1 883	600	600	600	1 525	600	600	600	1 376	600	600	601	10 188	10 994	11 487
Other	515	9	9	9	373	9	9	9	315	9	9	8	1 279	1 431	1 461
Total Revenue - Standard	54 310	6 542	6 542	6 542	40 979	6 542	6 542	6 542	35 425	6 542	6 542	6 324	189 373	214 469	221 048
Expenditure - Standard															
Governance and administration	4 982	4 982	4 982	4 982	4 982	4 982	4 982	4 982	4 982	4 982	4 982	4 534	59 332	66 023	70 462
Executive and council	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	1 842	2 043	22 307	23 905	25 288
Budget and treasury office	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 687	22 293	24 441	26 349
Corporate services	1 266	1 266	1 266	1 266	1 266	1 266	1 266	1 266	1 266	1 266	1 266	804	14 732	17 676	18 824
Community and public safety	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 698	20 367	21 625	22 934
Community and social services	697	697	697	697	697	697	697	697	697	697	697	697	8 362	8 878	9 421
Sport and recreation	333	333	333	333	333	333	333	333	333	333	333	333	3 993	4 232	4 471
Public safety	668	668	668	668	668	668	668	668	668	668	668	668	8 011	8 515	9 042
Economic and environmental services	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 390	26 134	34 662	34 006
Planning and development	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 309	13 164	17 940	18 359
Road transport	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	1 081	12 970	16 722	15 648
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services	2 924	2 924	2 924	2 924	2 924	2 924	2 924	2 924	2 924	2 924	2 924	2 923	35 084	44 888	46 822
Electricity	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 430	29 166	38 620	40 209
Waste management	493	493	493	493	493	493	493	493	493	493	493	493	5 919	6 268	6 613
Other	195	195	195	195	195	195	195	195	195	195	195	195	2 335	2 475	2 613
Total Expenditure - Standard	11 956	11 956	11 956	11 956	11 956	11 956	11 956	11 956	11 956	11 956	11 956	11 740	143 252	169 672	176 837
Surplus/(Deficit)	42 354	(5 414)	(5 414)	(5 414)	29 023	(5 414)	(5 414)	(5 414)	23 469	(5 414)	(5 414)	(5 415)	46 121	44 797	44 211

Table 47 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure *to be appropriated*															
Vote 1 - Governance and Administration												–	–	–	–
Vote 2 - Financial Services												–	–	–	–
Vote 3 - Corporate Services												–	–	–	–
Vote 4 - Community and Social Services												–	–	–	–
Vote 5 - Sports and Recreation												–	–	–	–
Vote 6 - Public Safety												–	–	–	–
Vote 7 - Planning and Development	2 232	2 232	2 232	2 232	2 232	1 232	2 732	2 732	2 232	2 232	2 232	2 233	26 789	28 089	29 203
Vote 8 - Roads Transport												–	–	–	–
Vote 9 - Environmental Protection												–	–	–	–
Vote 10 - Other												–	–	–	–
Vote 11 - Housing												–	–	–	–
Vote 12 - Electricity Services	1 000	1 000	1 000	1 000	1 000		1 250	1 000	1 750	1 000	1 000	1 000	12 000	15 000	15 000
Vote 13 - Water Services												–	–	–	–
Vote 14 - Waste Water Management												–	–	–	–
Vote 15 - Waste Management												–	–	–	–
Capital multi-year expenditure sub-total	**3 232**	**3 232**	**3 232**	**3 232**	**3 232**	**1 232**	**3 982**	**3 732**	**3 982**	**3 232**	**3 232**	**3 233**	**38 789**	**43 089**	**44 203**
Single-year expenditure *to be appropriated*															
Vote 1 - Governance and Administration	140		700									–	840	–	–
Vote 2 - Financial Services		25										–	25	–	–
Vote 3 - Corporate Services	60		6 000		1 200		800					–	8 060	–	–
Vote 4 - Community and Social Services	11		63					8				–	81	8	8
Vote 5 - Sports and Recreation			1 000	76						700		–	1 776	–	–
Vote 6 - Public Safety		150							550			–	700	450	–
Vote 7 - Planning and Development						765						–	765	–	–
Vote 8 - Roads Transport			1 500				1 200					–	2 700	–	2 550
Vote 9 - Environmental Protection												–	–	–	–
Vote 10 - Other												–	–	–	–
Vote 11 - Housing												–	–	–	–
Vote 12 - Electricity Services		450		1 200		950						–	2 600	–	–
Vote 13 - Water Services												–	–	–	–
Vote 14 - Waste Water Management												–	–	–	–
Vote 15 - Waste Management												–	–	1 700	–
Capital single-year expenditure sub-total	**210**	**625**	**9 263**	**1 276**	**1 200**	**1 715**	**2 000**	**8**	**550**	**700**	**–**	**–**	**17 547**	**2 158**	**2 558**
Total Capital Expenditure	**3 443**	**3 857**	**12 495**	**4 509**	**4 432**	**2 947**	**5 982**	**3 740**	**4 532**	**3 932**	**3 232**	**3 233**	**56 336**	**45 247**	**46 761**

Table 48 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard															
Governance and administration	**200**	**25**	**6 700**	**–**	**1 200**	**–**	**800**	**–**	**–**	**–**	**–**	**–**	**8 925**	**–**	**–**
Executive and council			700									–	700	–	–
Budget and treasury office		25										–	25	–	–
Corporate services	200		6 000		1 200		800					–	8 200	–	–
Community and public safety	**11**	**150**	**63**	**76**	**–**	**–**	**–**	**8**	**550**	**700**	**–**	**1 000**	**2 557**	**8**	**8**
Community and social services	11		63					8				–	81	8	8
Sport and recreation				76						700		1 000	1 776	–	–
Public safety		150							550			–	700	–	–
Housing												–	–	–	–
Health												–	–	–	–
Economic and environmental services	**2 232**	**2 232**	**3 732**	**2 232**	**2 232**	**1 997**	**3 932**	**2 732**	**2 232**	**2 232**	**2 232**	**2 233**	**30 254**	**28 539**	**31 753**
Planning and development	2 232	2 232	2 232	2 232	2 232	1 997	2 732	2 732	2 232	2 232	2 232	2 233	27 554	28 539	29 203
Road transport			1 500				1 200					–	2 700	–	2 550
Environmental protection												–	–	–	–
Trading services	**1 000**	**1 450**	**1 000**	**2 200**	**1 000**	**950**	**1 250**	**1 000**	**1 750**	**1 000**	**1 000**	**1 000**	**14 600**	**16 700**	**15 000**
Electricity	1 000	1 450	1 000	2 200	1 000	950	1 250	1 000	1 750	1 000	1 000	1 000	14 600	15 000	15 000
Water												–	–	–	–
Waste water management												–	–	–	–
Waste management												–	–	1 700	–
Other												–	–	–	–
Total Capital Expenditure - Standard	**3 443**	**3 857**	**11 495**	**4 509**	**4 432**	**2 947**	**5 982**	**3 740**	**4 532**	**3 932**	**3 232**	**4 233**	**56 336**	**45 247**	**46 761**
Funded by:															
National Government	3 232	3 232	3 232	3 232	3 232	1 232	3 982	3 732	3 982	3 232	3 232	**3 233**	**38 789**	**43 089**	**44 203**
Provincial Government												–	–	–	–
District Municipality												–	–	–	–
Other transfers and grants												–	–	–	–
Transfers recognised - capital	**3 232**	**3 232**	**3 232**	**3 232**	**3 232**	**1 232**	**3 982**	**3 732**	**3 982**	**3 232**	**3 232**	**3 233**	**38 789**	**43 089**	**44 203**
Public contributions & donations												–	–	–	–
Borrowing			7 550			765	1 200			700		–	10 215	–	–
Internally generated funds	210	625	1 713	1 276	1 200	950	800	8	550			–	7 332	2 158	2 558
Total Capital Funding	**3 443**	**3 857**	**12 495**	**4 509**	**4 432**	**2 947**	**5 982**	**3 740**	**4 532**	**3 932**	3 232	3 233	56 336	45 247	46 761

Table 49 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													1		
Property rates	–	–	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	18 021	19 084	20 134
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	3 251	3 251	3 251	3 251	3 251	3 251	3 251	3 251	3 251	3 251	3 251	(11 972)	23 784	27 201	30 158
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	254	254	254	254	254	254	254	254	254	254	254	254	3 053	3 233	3 411
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	116	116	116	116	116	116	116	116	116	116	116	116	1 390	1 471	1 552
Interest earned - external investments	147	147	147	147	147	147	147	147	147	147	147	147	1 762	1 548	1 633
Interest earned - outstanding debtors	319	318	318	318	318	318	318	318	318	318	318	326	3 826	4 051	4 274
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	33	33	33	33	33	33	33	33	33	33	33	33	398	421	444
Licences and permits	203	203	203	203	203	203	203	203	203	203	203	203	2 436	2 580	2 722
Agency services	88	88	88	88	88	88	88	88	88	88	88	88	1 061	1 124	1 186
Transfer receipts - operational	35 634	–	–	–	25 661	–	–	–	21 560	–	–	–	82 855	100 462	102 027
Other revenue	68	68	68	68	68	68	68	68	68	68	68	68	819	867	915
Cash Receipts by Source	**40 113**	**4 478**	**6 281**	**6 281**	**31 942**	**6 281**	**6 281**	**6 281**	**27 841**	**6 281**	**6 281**	**(8 934)**	**139 404**	**162 043**	**168 456**
Other Cash Flows by Source															
Transfer receipts - capital	12 930	–	–	–	12 930	–	–	–	12 930	–	–	–	38 789	43 089	44 203
Contributions recognised - capital & Contributed as	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	10 215	–	–	–	–	–	–	–	–	–	–	–	10 215	450	2 550
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**63 258**	**4 478**	**6 281**	**6 281**	**44 871**	**6 281**	**6 281**	**6 281**	**40 770**	**6 281**	**6 281**	**(8 934)**	**188 408**	**205 582**	**215 209**
Cash Payments by Type															
Employee related costs	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 805	3 809	45 665	48 577	51 665
Remuneration of councillors	616	616	616	616	616	616	616	616	616	616	616	616	7 393	7 762	8 150
Finance charges	81	81	81	81	81	81	81	81	81	81	81	81	970	571	604
Bulk purchases - Electricity	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 942	1 942	23 299	24 673	26 030
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–	–	–	8 978	8 978	15 645	13 960
Contracted services	953	953	953	953	953	953	953	953	953	953	953	491	10 974	12 111	12 777
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	234	234	234	234	234	234	234	234	234	234	234	234	2 810	7 976	8 415
Other expenditure	4 962	4 962	4 962	4 962	4 962	4 962	4 962	4 962	4 962	4 962	4 962	(27 769)	26 817	27 122	43 242
Cash Payments by Type	**12 593**	**12 593**	**12 593**	**12 593**	**12 593**	**12 593**	**12 593**	**12 593**	**12 593**	**12 593**	**12 593**	**(11 618)**	**126 905**	**144 437**	**164 843**
Other Cash Flows/Payments by Type															
Capital assets	3 443	3 857	6 495	4 509	4 432	2 947	5 982	3 740	4 532	3 932	3 232	9 233	56 336	45 247	46 761
Repayment of borrowing	156	156	156	156	156	156	156	156	156	156	156	928	2 647	3 722	3 418
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**16 192**	**16 607**	**19 244**	**17 258**	**17 182**	**15 697**	**18 732**	**16 490**	**17 282**	**16 682**	**15 982**	**(1 457)**	**185 888**	**193 407**	**215 021**
NET INCREASE/(DECREASE) IN CASH HELD	**47 066**	**(12 128)**	**(12 964)**	**(10 977)**	**27 690**	**(9 416)**	**(12 451)**	**(10 209)**	**23 489**	**(10 401)**	**(9 701)**	**(7 477)**	**2 520**	**12 175**	**187**
Cash/cash equivalents at the month/year begin:	**9 626**	56 692	44 564	31 600	20 623	48 312	38 896	26 445	16 236	39 725	29 323	19 622	9 626	12 146	24 321
Cash/cash equivalents at the month/year end:	56 692	44 564	31 600	20 623	48 312	38 896	26 445	16 236	39 725	29 323	19 622	12 146	12 146	24 321	24 508

2.10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.11 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 50 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**26 663**	**32 091**	**17 410**	**29 504**	**40 565**	**40 565**	**22 018**	**24 000**	**33 203**
Infrastructure - Road transport	16 913	16 885	14 277	15 504	21 504	21 504	10 018	9 000	21 203
Roads, Pavements & Bridges	16 913	16 885	14 277	15 504	21 504	21 504	10 018	9 000	21 203
Storm water									
Infrastructure - Electricity	9 750	15 206	3 133	14 000	19 061	19 061	12 000	15 000	12 000
Generation	9 750	15 206	3 133	14 000	–	–			
Transmission & Reticulation					14 000	14 000	12 000	15 000	12 000
Street Lighting					5 061	5 061			
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Waste Management									
Transportation									
Community	**–**	**–**	**–**	**6 652**	**9 852**	**9 852**	**10 311**	**9 918**	**–**
Parks & gardens				3 553	–	–			
Sportsfields & stadia					4 753	4 753	4 275	4 118	
Swimming pools				1 000	–	–			
Community halls				–	–	–	5 363	3 400	
Libraries				1 899	–	–	40		
Recreational facilities				200	1 899	1 899	633	2 400	
Fire, safety & emergency					200	200			
Security and policing					–	–			
Buses					–	–			
Clinics					–	–			
Museums & Art Galleries					3 000	3 000			
Cemeteries					–	–			
Social rental housing					–	–			
Other					–	–			
Other assets	**5 030**	**5 986**	**1 822**	**15 544**	**9 391**	**9 391**	**15 762**	**2 158**	**2 558**
General vehicles	500		–	3 103	2 451	2 451	1 965	450	1 200
Specialised vehicles	–	–	–	2 010	2 010	2 010	550	–	–
Plant & equipment	3 740		144	3 424	2 224	2 224	4 188	1 700	1 350
Computers - hardware/equipment	105		257		–	–	75	–	
Furniture and other office equipment	535	2 045	205	7	7	7	134	8	8
Abattoirs									
Markets			1 191		2 700	2 700			
Civic Land and Buildings			15	7 000			8 700		
Other Buildings							150		
Other Land			9						
Surplus Assets - (Investment or Inventory)									
Other	150	3 941							
Intangibles	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computers - software & programming									
Other *(list sub-class)*									
Total Capital Expenditure on new assets	**31 693**	**38 076**	**19 232**	**51 699**	**59 808**	**59 808**	**48 091**	**36 076**	**35 761**
Specialised vehicles	**–**	**–**	**–**	**2 010**	**2 010**	**2 010**	**550**	**–**	**–**
Refuse				1 460	1 460	1 460	–	–	–
Fire				550	550	550	550	–	–
Conservancy					–	–	–	–	–
Ambulances					–	–	–	–	–

Table 51 MBRR SA 34b - Capital expenditure on renewal of existing assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	–	–	–	**1 545**	**1 545**	**1 545**	**7 500**	**9 171**	**11 000**
Infrastructure - Road transport	–	–	–	1 545	1 545	1 545	7 500	9 171	8 000
Roads, Pavements & Bridges				1 545	1 545	1 545	7 500	9 171	8 000
Storm water									
Infrastructure - Electricity	–	–	–	–	–	–	–	–	3 000
Generation									
Transmission & Reticulation									3 000
Street Lighting									
Other									
Community	–	–	–	–	–	–	–	–	–
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
Other assets	–	–	–	**2 483**	**2 483**	**2 483**	**745**	–	–
General vehicles				980	980	980			
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment				100	100	100	700		
Computers - hardware/equipment				323	323	323	45		
Furniture and other office equipment				1 080	1 080	1 080			
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
Intangibles	–	–	–	1 900	1 900	1 900	–	–	–
Computers - software & programming									
Financial System				1 900	1 900	1 900			
Total Capital Expenditure on renewal of existing ass	–	–	–	**5 928**	**5 928**	**5 928**	**8 245**	**9 171**	**11 000**
Specialised vehicles	–	–	–	–	–	–	–	–	–
Refuse									
Fire									
Conservancy									
Ambulances									
Renewal of Existing Assets as % of total capex	*0.0%*	*0.0%*	*0.0%*	*10.3%*	*9.0%*	*9.0%*	*14.6%*	*20.3%*	*23.5%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*0.0%*	*0.0%*	*155.1%*	*155.1%*	*155.1%*	*203.1%*	*213.3%*	*242.5%*

Table 52 MBRR SA 34c – Repairs and maintenance by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**1 947**	**3 615**	**7 372**	**9 206**	**11 199**	**11 199**	**10 182**	**15 257**	**13 579**
Infrastructure - Road transport	1 752	2 221	6 303	6 735	8 169	8 169	8 075	10 236	8 820
Roads, Pavements & Bridges	1 608	2 233	6 246	6 657	8 092	8 092	7 993	10 149	8 728
Storm water	145	(12)	57	77	77	77	82	87	92
Infrastructure - Electricity	194	1 394	1 069	2 471	3 030	3 030	2 107	5 021	4 759
Generation				491	491	491	521	552	582
Transmission & Reticulation	116	1 397	1 035	1 943	2 502	2 502	1 479	4 355	4 056
Street Lighting	78	(3)	35	38	38	38	108	114	120
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Waste Management									
Transportation									
Community	**–**	**–**	**–**	**32**	**32**	**32**	**–**	**–**	**–**
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Museums & Art Galleries									
Cemeteries				30	30	30	–	–	–
Social rental housing					–	–	–	–	–
Other				2	2	2	–	–	–
Other assets	**1 595**	**1 137**	**1 010**	**1 595**	**2 340**	**2 340**	**2 358**	**4 233**	**4 466**
General vehicles	1 088	583	430	214	1 127	1 127	1 192	1 262	1 331
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	91	30	63	178	178	178	44	47	49
Computers - hardware/equipment	22	50	15	143	143	143	50	53	56
Furniture and other office equipment		–		2	2	2	5	0	0
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	369	468	502	1 003	835	835	1 000	2 800	2 954
Other Land	26	6	1	54	54	54	67	71	75
Surplus Assets - (Investment or Inventory)									
Other									
Intangibles	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computers - software & programming									
Other *(list sub-class)*									
Total Repairs and Maintenance Expenditure	**3 541**	**4 751**	**8 382**	**10 833**	**13 571**	**13 571**	**12 540**	**19 490**	**18 045**
Specialised vehicles	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse									
Fire									
Conservancy									
Ambulances									
R&M as a % of PPE	*5.2%*	*4.6%*	*6.7%*	*5.6%*	*7.3%*	*7.3%*	*5.3%*	*7.0%*	*5.6%*
R&M as % Operating Expenditure	*3.8%*	*4.4%*	*8.1%*	*8.5%*	*10.5%*	*10.5%*	*8.7%*	*11.4%*	*10.2%*

Table 53 MBRR SA 34d - Depreciation by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Depreciation by Asset Class/Sub-class									
Infrastructure	**1 290**	**1 557**	**–**	**2 486**	**2 486**	**2 486**	**3 316**	**4 150**	**5 015**
Infrastructure - Road transport	1 290	1 405	–	2 031	2 031	2 031	2 796	3 599	4 434
Roads, Pavements & Bridges	1 290	1 405		2 031	2 031	2 031	2 796	3 599	4 434
Storm water									
Infrastructure - Electricity	–	152	–	455	455	455	520	551	582
Generation									
Transmission & Reticulation		152		455	455	455	520	551	582
Street Lighting									
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Waste Management									
Transportation									
Other									
Community	**–**	**–**	**–**	**115**	**115**	**115**	**–**	**–**	**–**
Parks & gardens									
Sportsfields & stadia				63	63	63			
Swimming pools									
Community halls				18	18	18			
Libraries									
Recreational facilities				34	34	34			
Fire, safety & emergency									
Security and policing									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
Heritage assets	**–**	**–**	**–**	1	1	1	**–**	**–**	**–**
Buildings				**1**	**1**	**1**	**–**	**–**	**–**
Other									
Other assets	**1 140**	**1 315**	**–**	**935**	**935**	**935**	**1 201**	**1 272**	**1 343**
General vehicles	106	150		136	136	136	155	164	173
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	198	310		168	168	168	192	204	215
Computers - hardware/equipment	108	118		36	36	36	42	44	46
Furniture and other office equipment	292	297		65	65	65	74	79	83
Abattoirs									
Markets									
Civic Land and Buildings	437	440		530	530	530	607	643	678
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other							131	139	146
Intangibles	25	42	–	285	285	285	18	18	18
Computers - software & programming	25	42		285	285	285	18	18	18
Other *(list sub-class)*									
Total Depreciation	**2 456**	**2 914**	**–**	**3 823**	**3 823**	**3 823**	**4 536**	**5 441**	**6 376**

Table 54 MBRR SA 35 – Future Financial Implications of the capital budget

Vote Description	2014/15 Medium Term Revenue &			Forecasts			
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
Capital expenditure							
Vote 1 - Governance and Administration	840	–	–	–	–	–	
Vote 2 - Financial Services	25	–	–	450	100	375	
Vote 3 - Corporate Services	8 060	–	–	–	–	–	
Vote 4 - Community and Social Services	81	8	8	–	–	–	
Vote 5 - Sports and Recreation	1 776	–	–	–	–	–	
Vote 6 - Public Safety	700	450	–	–	–	–	
Vote 7 - Planning and Development	27 554	28 089	29 203	30 809	32 504	34 291	
Vote 8 - Roads Transport	2 700	–	2 550	–	1 500	–	
Vote 9 - Environmental Protection	–	–	–	–	–	–	
Vote 10 - Other	–	–	–	–	–	–	
Vote 11 - Housing	–	–	–	–	–	–	
Vote 12 - Electricity Services	14 600	15 000	15 000	9 000	7 000	–	
Vote 13 - Water Services	–	–	–	–	–	–	
Vote 14 - Waste Water Management	–	–	–	–	–	–	
Vote 15 - Waste Management	–	1 700	–	–	–	–	
	–	–	–	–	–	–	
Total Capital Expenditure	**56 336**	**45 247**	**46 761**	**40 259**	**41 104**	**34 666**	**–**
Future operational costs by vote							
Vote 1 - Governance and Administration							
Vote 2 - Financial Services							
Vote 3 - Corporate Services							
Vote 4 - Community and Social Services							
Vote 5 - Sports and Recreation							
Vote 6 - Public Safety							
Vote 7 - Planning and Development	8 075	10 236	8 820	9 305	9 817	10 327	
Vote 8 - Roads Transport							
Vote 9 - Environmental Protection							
Vote 10 - Other							
Vote 11 - Housing							
Vote 12 - Electricity Services	2 107	5 021	4 759	5 021	5 297	5 588	
Vote 13 - Water Services							
Vote 14 - Waste Water Management							
Vote 15 - Waste Management							
	–	–	–	–	–	–	
Total future operational costs	10 182	15 257	13 579	14 326	15 114	15 915	–
Future revenue by source							
Property rates	–	–	–	–	–	–	
Property rates - penalties & collection charges	–	–	–	–	–	–	
Service charges - electricity revenue	–	–	–	–	–	–	
Service charges - water revenue	–	–	–	–	–	–	
Service charges - sanitation revenue	–	–	–	–	–	–	
Service charges - refuse revenue	–	–	–	–	–	–	
Service charges - other	–	–	–	–	–	–	
Rental of facilities and equipment	–	–	–	–	–	–	
Interest earned - external investments	–	–	–	–	–	–	
Interest earned - outstanding debtors	–	–	–	–	–	–	
Dividends received	–	–	–	–	–	–	
Fines	–	–	–	–	–	–	
Licences and permits	–	–	–	–	–	–	
Agency services	–	–	–	–	–	–	
Transfers recognised - operational	–	–	–	–	–	–	
Other revenue	–	–	–	–	–	–	
Total future revenue	–	–	–	–	–	–	–
Net Financial Implications	**66 518**	**60 504**	**60 340**	**54 585**	**56 218**	**50 581**	**–**

Table 55 MBRR SA 36 – Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand			2	6	3	3		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Corporate Services	Computers			Yes	*Other Assets*	*Computers - hardware/equipment*		257						Renewal
Corporate Services	Furniture			Yes	*Other Assets*	*Furniture and other office equipment*		205						New
Roads	Various tools			Yes	*Other Assets*	*Plant & equipment*		144						Renewal
Traffic	Motorcyle track			Yes	*Infrastructure*	*Roads, Pavements & Bridges*		9						New
Electricity	Installation of electricity infrastrucutre			Yes	*Infrastructure*	*Transmission & Reticulation*		3 133						New
Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*		15 483						New
Properties	Council Chamber			Yes	*Other Assets*	*Buildings*			1 000					New
Corporate Services	Computers			Yes	*Other Assets*	*Computers - hardware/equipment*			306					New
Financial Services	Financial System			Yes	*Other Assets*	*Computers - hardware/equipment*			1 800					New
Financial Services	Motor vehicles			Yes	*Other Assets*	*Transportation*			2 580					New
Financial Services	Furniture			Yes	*Other Assets*	*Furniture and other office equipment*			14					New
Community Services	Fridges			Yes	*Other Assets*	*Plant & equipment*			14					New
Library Servcies	Library books			Yes	*Other Assets*	*Other*			40					New
Traffic	Firearms and Safe			Yes	*Other Assets*	*Plant & equipment*			200					New
Sports	Stadium			Yes	*Other Assets*	*Sportsfields & stadia*			1 200				2	New
Roads	Tipper truck			Yes	*Other Assets*	*Transportation*			765					New
Electricity	Meters			Yes	*Other Assets*	*Transmission & Reticulation*			70					New
Electricity	Installation of electricity infrastrucutre			Yes	*Infrastructure*	*Transmission & Reticulation*			1 200				11	New
Electricity	Installation of high masts			Yes	*Other Assets*	*Street Lighting*			3 000				11	New
Waste Management	Compactor Truck			Yes	*Other Assets*	*Specialised vehicles - Refuse*			1 460					New
Waste Management	Refuse drums			Yes	*Other Assets*	*Plant & equipment*			205					New
Technical Services	Flea Market			Yes	*Other Assets*	*Markets*			2 700				11	New
Technical Services	Sub-taxi rank			Yes	*Infrastructure*	*Roads, Pavements & Bridges*			6 000				11	New
Technical Services	Cultural village			Yes	*Other Assets*	*Recreational facilities*			3 000					New
Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*			4 000				2	New
Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*			1 500				11	New
Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*			4 500				11	New
Community Services	Construction of creches			Yes	*Community*	*Recreational facilities*			633				4	New
Community Services	Construction of creches			Yes	*Community*	*Recreational facilities*			633				5	New
Community Services	Construction of creches			Yes	*Community*	*Recreational facilities*			633				11	New
Community Services	Construction of sportsfield			Yes	*Community*	*Sportsfields & stadia*			1 126				13	New
Community Services	Construction of sportsfield			Yes	*Community*	*Sportsfields & stadia*			1 126				5	New
Community Services	Construction of sportsfield			Yes	*Community*	*Sportsfields & stadia*			1 300				11	New
Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*			3 525				12	New
Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*			3 525				13	New
Electricity	Installation of high mast			yes	*Infrastructure*	*Street Lighting*			3 681				2	New
Electricity	Installation of electricity infrastrucutre			Yes	*Infrastructure*	*Transmission & Reticulation*			6 622				5	New
Electricity	Installation of electricity infrastrucutre			Yes	*Infrastructure*	*Transmission & Reticulation*			4 007				14	New
Electricity	Installation of electricity infrastrucutre			Yes	*Infrastructure*	*Transmission & Reticulation*			3 371				11	New

Table 55 MBRR SA 36 – Detailed capital budget per municipal vote (Continued)

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand			2	6	3	3		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Transport and Roads	Ncotshane Roads			Yes	*Infrastructure*	*Roads, Pavements & Bridges*				2 510			10	New
Transport and Roads	Ncotshane Roads			Yes	*Infrastructure*	*Roads, Pavements & Bridges*				7 500			2	Renewal
Transport and Roads	Upgrading of roads			Yes	*Infrastructure*	*Roads, Pavements & Bridges*				3 709			11	New
Transport and Roads	Upgrading of roads			Yes	*Infrastructure*	*Roads, Pavements & Bridges*				3 709			8	New
Community Assets	Construction of community hall			Yes	*Community*	*Community halls*				1 748			9	New
Community Assets	Construction of community hall			Yes	*Community*	*Community halls*				1 748			12	New
Community Assets	Construction of community hall			Yes	*Community*	*Community halls*				1 748			13	New
Community Assets	Construction of creche			Yes	*Community*	*Recreational facilities*				752			7	New
Community Assets	Upgrading of sport facilities			Yes	*Community*	*Sportsfields & stadia*				1 122			7	New
Community Assets	Upgrading of sport facilities			Yes	*Community*	*Sportsfields & stadia*				1 122			14	New
Community Assets	Upgrading of sport facilities			Yes	*Community*	*Sportsfields & stadia*				1 122			3	New
Electricity	Installation of electricity infrastrucutre			Yes	*Other Assets*	*Transmission & Reticulation*				3 000			5	New
Electricity	Installation of electricity infrastrucutre			Yes	*Other Assets*	*Transmission & Reticulation*				9 000			1	New
Transport and Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*					4 500		1	New
Transport and Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*					4 500		4	New
Community Assets	Construction of community hall			Yes	*Community*	*Community halls*					1 700		11	New
Community Assets	Construction of community hall			Yes	*Community*	*Community halls*					1 700		14	New
Transport and Roads	Upgrading of roads			Yes	*Infrastructure*	*Roads, Pavements & Bridges*					4 000		2	Renewal
Transport and Roads	Upgrading of roads			Yes	*Infrastructure*	*Roads, Pavements & Bridges*					4 000		10	Renewal
Community Assets	Construction of ECD centres in uPhongolo area			Yes	*Community*	*Recreational facilities*					600		3	New
Community Assets	Construction of ECD centres in uPhongolo area			Yes	*Community*	*Recreational facilities*					600		9	New
Community Assets	Construction of ECD centres in uPhongolo area			Yes	*Community*	*Recreational facilities*					600		10	New
Community Assets	Construction of ECD centres in uPhongolo area			Yes	*Community*	*Recreational facilities*					600		13	New
Transport and Roads	Upgrading of roads			Yes	*Community*	*Roads, Pavements & Bridges*					1 171		14	Renewal
Community Assets	Upgrading of sport facilities			Yes	*Community*	*Sportsfields & stadia*					1 373		8	New
Community Assets	Upgrading of sport facilities			Yes	*Community*	*Sportsfields & stadia*					1 373		9	New
Community Assets	Upgrading of sport facilities			Yes	*Community*	*Sportsfields & stadia*					1 373		12	New
Electricity	Installation of electricity infrastrucutre			Yes	*Other Assets*	*Transmission & Reticulation*					15 000		1	New
Community Assets	Construction of community hall			Yes	*Community*	*Community halls*						2 500	4	New
Community Assets	Construction of community hall			Yes	*Community*	*Community halls*						2 500	6	New
Transport and Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*						4 700	14	New
Transport and Roads	Construction of access road			Yes	*Infrastructure*	*Roads, Pavements & Bridges*						4 700	3	New
Transport and Roads	Upgrading of roads			Yes	*Infrastructure*	*Roads, Pavements & Bridges*						8 000	11	New
Community Assets	Construction of creche			Yes	*Community*	*Recreational facilities*						800	13	New
Community Assets	Construction of creche			Yes	*Community*	*Recreational facilities*						800	9	New
Community Assets	Construction of multi-purpose centre			Yes	*Community*	*Community halls*						5 203	11	New
Electricity	Installation of high masts			Yes	*Other Assets*	*Street Lighting*						1 000	5	New
Electricity	Installation of high masts			Yes	*Other Assets*	*Street Lighting*						1 000	7	New
Electricity	Installation of high masts			Yes	*Other Assets*	*Street Lighting*						1 000	9	New
Electricity	Installation of high masts			Yes	*Other Assets*	*Street Lighting*						1 000	11	New

Table 55 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand			2	6	3	3		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Electricity	Installation of high masts			Yes	*Other Assets*	*Street Lighting*						1 000	13	New
Electricity	Installation of high masts			Yes	*Other Assets*	*Street Lighting*						3 000		New
Electricity	Installation of electricity infrastrucutre			Yes	*Infrastructure*	*Transmission & Reticulation*						7 000		New
Municipal Manager	Furniture			Yes	*Other Assets*	*Furniture and other office equipment*				86				New
Municipal Manager	Computer - Laptop			Yes	*Other Assets*	*Computers - hardware/equipment*				54				New
Executive Council	Furniture - Council Chamber			Yes	*Other Assets*	*Furniture and other office equipment*				700				New
Corporate Services	Computer - Laptops			Yes	*Other Assets*	*Computers - hardware/equipment*				45				New
Corporate Services	Furniture			Yes	*Other Assets*	*Furniture and other office equipment*				27				New
Financial Services	Desks and chairs			Yes	*Other Assets*	*Furniture and other office equipment*				76				New
Property Services	Fencing of office buildings			Yes	*Other Assets*	*Buildings*				1 200				New
Property Services	Community Hall			Yes	*Infrastructure*	*Community halls*				1 000				New
Property Services	Shelters for vehicles			Yes	*Infrastructure*	*Other*				800				New
Property Services	Acquisition of Transnet building			Yes	*Infrastructure*	*Buildings*				3 000				New
Property Services	Refurbishment of office buildings			Yes	*Infrastructure*	*Buildings*				2 000				New
Community Services	Desks and chairs			Yes	*Other*	*Furniture and other office equipment*				17	8	8		New
Community Services	Water Dispenser			Yes	*Other*	*Plant & equipment*				2				New
Disaster	Parkhome			Yes	*Other Assets*	*Other*				150				New
Disaster	Fire response vehicle			Yes	*Other Assets*	*Specialised vehicles - Fire*				550				New
Parks and Gardens	Various tools			Yes	*Other Assets*	*Plant & equipment*				776				New
Electricity	Installation of flood lights - Ncotshane			Yes	*Infrastructure*	*Street Lighting*				1 000				New
Roads	Pothole Equipment			Yes	*Other Assets*	*Plant & equipment*				1 500				New
Roads	Acquisition of low bed truck			Yes	*Other Assets*	*Transportation*				1 200		1 200		New
Roads	Acquisition of Grader			Yes	*Other Assets*	*Plant & equipment*						1 350		New
Roads	Acquisition of tipper truck			Yes	*Other Assets*	*Transportation*				765				New
Electricity	Overhead streetlights			Yes	*Infrastructure*	*Street Lighting*				700				New
Electricity	Ringfeeder			Yes	*Infrastructure*	*Transmission & Reticulation*				1 200				New
Electricity	Compressor			Yes	*Other Assets*	*Plant & equipment*				250				New
Electricity	Generator			Yes	*Other Assets*	*Plant & equipment*				450				New
Waste Management	Skips			Yes	*Other Assets*	*Plant & equipment*					1 700			New
Technical	Bakkie			yes	*Other Assets*	*Transportation*					450			
Total Capital expenditure								**19 232**	**65 736**	**56 336**	**45 247**	**46 761**		

Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.

2. Internship programme

   The Municipality is participating in the Municipal Financial Management Internship programme and has employed nine interns undergoing training in various divisions of the Financial Services Department. The first four have finished the first two years of training and are currently working to obtain further experience in their respective departments. Since the introduction of the Internship programme the Municipality has successfully employed and trained 3 interns through this programme.

3. Budget and Treasury Office

   The Budget and Treasury Office has been established in accordance with the MFMA. The municipality is in the process of filling all critical vacant posts within the finance department.

4. Audit Committee

   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

   The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in May 2014 and is directly aligned and informed by the 2014/15 MTREF.

6. Annual Report

   Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.12 Other supporting documents

Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
REVENUE ITEMS:										
Property rates										
Total Property Rates	**10 255**	10 952	14 051	15 745	18 882	18 882	18 882	24 459	25 902	27 326
less Revenue Foregone				1 908	1 086	1 086	1 086	1 394	1 477	1 558
Net Property Rates	**10 255**	**10 952**	**14 051**	**13 837**	**17 797**	**17 797**	**17 797**	**23 064**	**24 425**	**25 768**
Service charges - electricity revenue										
Total Service charges - electricity revenue	14 689	18 309	23 366	23 868	24 273	24 273	24 273	26 529	27 604	29 123
less Revenue Foregone										
Net Service charges - electricity revenue	**14 689**	**18 309**	**23 366**	**23 868**	**24 273**	**24 273**	**24 273**	**26 529**	**27 604**	**29 123**
Service charges - refuse revenue										
Total refuse removal revenue	4 755	4 925	5 419	5 617	6 389	6 389	6 389	6 785	7 185	7 580
Total landfill revenue										
less Revenue Foregone										
Net Service charges - refuse revenue	**4 755**	**4 925**	**5 419**	**5 617**	**6 389**	**6 389**	**6 389**	**6 785**	**7 185**	**7 580**
Other Revenue by source										
Sundry Income	308	545	1 251	1 339	771	771	771	819	867	915
Total 'Other' Revenue	**308**	**545**	**1 251**	**1 339**	**771**	**771**	**771**	**819**	**867**	**915**
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	17 419	19 256	23 200	25 904	26 320	26 320	26 320	33 714	35 862	38 139
Pension and UIF Contributions	1 681	1 167	2 176	2 349	2 741	2 741	2 741	3 696	3 932	4 184
Medical Aid Contributions	744	986	1 268	1 069	1 444	1 444	1 444	1 552	1 651	1 757
Overtime	1 856	1 694	2 327	1 720	1 512	1 512	1 512	1 242	1 322	1 405
Performance Bonus	1 351	1 167	1 472	2 251	2 942	2 942	2 942	2 818	2 998	3 189
Motor Vehicle Allowance	989	1 939	1 443	1 611	1 199	1 199	1 199	2 222	2 364	2 516
Cellphone Allowance	50	25	64	103	53	53	53	126	134	143
Housing Allowances	27	25	30	228	28	28	28	29	31	32
Other benefits and allowances	874	474	1 795	322	1 287	1 287	1 287	266	283	301
Payments in lieu of leave	533	363	–	–	–	–	–	–	–	–
Long service awards	1 125	2 387	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		(72)	–	–	–	–	–	–	–	–
sub-total	**26 649**	**29 409**	**33 774**	**35 555**	**37 526**	**37 526**	**37 526**	**45 665**	**48 577**	**51 665**
Less: Employees costs capitalised to PPE										
Total Employee related costs	**26 649**	**29 409**	**33 774**	**35 555**	**37 526**	**37 526**	**37 526**	**45 665**	**48 577**	**51 665**
Contributions recognised - capital										
List contributions by contract										
Total Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–

Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	2 718	2 974	3 975	3 823	3 823	3 823	3 823	4 536	5 441	6 376
Lease amortisation	–	–	–	–	–	–	–	–	–	–
Capital asset impairment	–	–	397	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	**2 718**	**2 974**	**4 372**	**3 823**	**3 823**	**3 823**	**3 823**	**4 536**	**5 441**	**6 376**
Bulk purchases										
Electricity Bulk Purchases	12 796	15 617	19 039	20 925	21 561	21 561	21 561	23 299	24 673	26 030
Water Bulk Purchases	–	–	–	–	–	–	–	–	–	–
Total bulk purchases	**12 796**	**15 617**	**19 039**	**20 925**	**21 561**	**21 561**	**21 561**	**23 299**	**24 673**	**26 030**
Transfers and grants										
Cash transfers and grants	–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants	–	2 190	2 691	2 400	3 634	3 634	3 634	2 810	7 976	8 415
Total transfers and grants	**–**	**2 190**	**2 691**	**2 400**	**3 634**	**3 634**	**3 634**	**2 810**	**7 976**	**8 415**
Contracted services										
Electrical Services	7 773	6 471	9 157	559	559	559	559	594	629	663
Refuse collection services (waste removal)				3 837	4 595	4 595	4 595	4 649	5 168	5 452
Parks and Garden maintenance				1 177	1 177	1 177	1 177	1 250	1 324	1 397
Information Technology services/corporate				987	987	987	987	1 048	1 110	1 171
Professional services				634	634	634	634	673	713	752
Security/ Protection Services				2 816	2 816	2 816	2 816	2 759	3 167	3 341
sub-total	**7 773**	**6 471**	**9 157**	**10 010**	**10 768**	**10 768**	**10 768**	**10 974**	**12 111**	**12 777**
Allocations to organs of state:										
Electricity										
Other										
Total contracted services	**7 773**	**6 471**	**9 157**	**10 010**	**10 768**	**10 768**	**10 768**	**10 974**	**12 111**	**12 777**
Other Expenditure By Type										
Collection costs	–	843	255	300	300	300	300	319	337	356
Contributions to 'other' provisions	(2 132)	2 299	984	230	–	–	–	232	245	259
Consultant fees	3 256	3 017	3 020	3 617	3 150	3 150	3 150	1 169	2 221	2 343
Audit fees	603	1 738	2 426	2 500	2 490	2 490	2 490	2 336	2 474	2 610
General expenses	3 709	636	1 363	9 017	4 779	4 779	4 779	3 326	2 785	2 939
Subsistence and Travelling	690	1 604	2 594	1 740	2 412	2 412	2 412	2 558	2 708	2 857
Advertising	404	208	602	385	385	385	385	499	529	558
Legal Costs	–	–	–	304	304	304	304	323	342	361
Licenses	–	–	–	709	535	535	535	568	601	634
Stationery,printing and telephone	1 078	1 017	1 391	1 217	1 352	1 352	1 352	1 456	1 542	1 627
Youth, senior citizen, men & women support	–	–	–	–	–	–	–	3 234	3 425	3 614
Postages and courier	17	37	31	35	46	46	46	49	51	54

Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cleaning materials	300	530	211	180	401	401	401	235	249	262
Electricity, water, refuse& sewerage charges	2 589	280	289	1 456	707	707	707	751	795	839
Transport	–	680	–	–	–	–	–	1 051	1 113	1 174
Fuel & oil	766	496	1 049	1 932	1 441	1 441	1 441	1 033	1 894	1 998
Hire of equipment and rentals	400	1 075	367	127	620	620	620	1 472	1 559	1 645
Uniform and Protective Clothing	–	188	83	422	796	796	796	1 037	1 099	1 159
Training Fees and subscriptions	294	324	236	1 489	859	859	859	1 222	1 294	1 366
Insurance	455	688	1 273	1 152	1 144	1 144	1 144	1 215	2 286	2 412
Public participation	2 202	1 754	2 055	2 906	2 796	2 796	2 796	2 936	3 110	3 281
Pauper burials	–	–	–	201	201	201	201	214	227	239
Ward Upliftment	–	–	–	1 739	2 640	2 640	2 640	2 804	2 970	3 133
EPWP	–	–	–	1 000	2 006	2 006	2 006	1 823	–	–
Accomodation Expense	–	–	–	1 195	1 819	1 819	1 819	1 932	2 046	2 158
Disaster Victims Support and LED	2 296	–	–	3 400	4 134	4 134	4 134	3 380	9 474	9 359
Total 'Other' Expenditure	**16 926**	**17 414**	**18 230**	**37 256**	**35 318**	**35 318**	**35 318**	**37 174**	**45 376**	**47 236**
Repairs and Maintenance by Expenditure Item										
Employee related costs	1 605	2 157	2 443	2 196	4 770	4 770	1 963	2 968	3 216	3 422
Other materials	1 820	1 198	5 491	8 311	8 242	8 242	8 242	8 978	15 645	13 960
Contracted Services	116	1 397	448	326	559	559	559	594	629	663
Other Expenditure	–	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	**3 541**	**4 751**	**8 382**	10 833	13 571	13 571	10 764	12 540	19 490	18 045

Table 57 MBRR Table SA2 - Matrix Financial Performance Budget (revenue source/ expenditure type by department)

Description R thousand	Vote 1 - Governance	Vote 2 - Financial	Vote 3 - Corporate	Vote 4 - Community	Vote 5 - Sports and	Vote 6 - Public Safety	Vote 7 - Planning	Vote 8 - Roads	Vote 9 - Environment	Vote 10 - Other	Vote 11 - Housing	Vote 12 - Electricity	Vote 13 - Water	Vote 14 - Waste Water	Vote 15 - Waste	Total
Revenue By Source																
Property rates		23 404														23 404
Property rates - penalties & collection charges																–
Service charges - electricity revenue												26 067				26 067
Service charges - water revenue																–
Service charges - sanitation revenue																–
Service charges - refuse revenue				1 289											5 496	6 785
Service charges - other																–
Rental of facilities and equipment			1 063	224	99					3						1 390
Interest earned - external investments		1 762														1 762
Interest earned - outstanding debtors		1 981	9									142			1 693	3 826
Dividends received																–
Fines				5		393										398
Licences and permits								2 436								2 436
Agency services						1 061										1 061
Other revenue		166	84	154			177	2				219			16	819
Transfers recognised - operational	16 758	13 128	7 657	5 266	2 162	4 037	8 354	6 536		1 277		14 698			2 983	82 855
Gains on disposal of PPE																–
Total Revenue (excluding capital transfers and contributio	**16 758**	**40 440**	**8 814**	**6 939**	**2 262**	**5 491**	**8 531**	**8 974**	**–**	**1 279**	**–**	**41 125**	**–**	**–**	**10 188**	**150 801**
Expenditure By Type																
Employee related costs	3 337	8 393	6 354	7 837	622	6 131	7 135	5 223		292		339				45 665
Remuneration of councillors	7 393															7 393
Debt impairment															1 454	1 454
Depreciation & asset impairment		4 060														4 060
Finance charges		471														471
Bulk purchases												23 299				23 299
Other materials																–
Contracted services		1 733	3 577		1 250							594			4 281	11 436
Transfers and grants												2 810				2 810
Other expenditure	11 294	7 823	5 346	524	2 121	1 880	5 797	7 747		2 043		2 124			183	46 882
Loss on disposal of PPE																–
Total Expenditure	**22 024**	**22 479**	**15 277**	**8 362**	**3 993**	**8 011**	**12 932**	**12 970**	**–**	**2 335**	**–**	**29 166**	**–**	**–**	**5 919**	**143 469**
Surplus/(Deficit)	**(5 267)**	**17 961**	**(6 463)**	**(1 423)**	**(1 731)**	**(2 521)**	**(4 401)**	**(3 996)**	**–**	**(1 056)**	**–**	**11 960**	**–**	**–**	**4 269**	**7 332**
Transfers recognised - capital							26 789					12 000				38 789
Contributions recognised - capital																–
Contributed assets																–
Surplus/(Deficit) after capital transfers & contributions	**(5 267)**	**17 961**	**(6 463)**	**(1 423)**	**(1 731)**	**(2 521)**	**22 388**	**(3 996)**	**–**	**(1 056)**	**–**	**23 960**	**–**	**–**	**4 269**	**46 121**

Table 58 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS										
Call investment deposits										
Call deposits < 90 days	12 207	8 403	22 873	21 318	18 070	9 622	9 622	12 142	24 315	24 503
Other current investments > 90 days					–	–	–	–	–	–
Total Call investment deposits	**12 207**	**8 403**	**22 873**	**21 318**	**18 070**	**9 622**	**9 622**	**12 142**	**24 315**	**24 503**
Consumer debtors										
Consumer debtors	52 124	58 705	70 045	73 535	74 283	82 731	82 731	71 046	76 004	78 115
Less: Provision for debt impairment	(33 380)	(33 686)	(35 871)	(57 309)	(35 871)	(35 871)	(35 871)	(38 695)	(40 235)	(41 860)
Total Consumer debtors	**18 744**	**25 019**	**34 174**	**16 226**	**38 412**	**46 859**	**46 859**	**32 351**	**35 768**	**36 255**
Debt impairment provision										
Balance at the beginning of the year	15 820	16 386	19 317	55 940	35 871	35 871	35 871	35 871	37 326	388 656
Contributions to the provision	17 560	2 932	3 939	1 369	–	–	–	1 454	1 540	1 625
Bad debts written off	–	–	–	–	–	–	–	–		
Balance at end of year	**33 380**	**19 317**	**23 256**	**57 309**	**35 871**	**35 871**	**35 871**	**37 326**	**38 866**	**390 281**
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	84 839	129 150	147 656	217 994	208 369	208 369	208 369	269 746	314 993	361 754
Leases recognised as PPE	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	16 230	19 105	23 256	26 237	23 256	23 256	23 256	31 120	35 401	39 919
Total Property, plant and equipment (PPE)	**68 609**	**110 045**	**124 400**	**191 757**	**185 113**	**185 113**	**185 113**	**238 625**	**279 591**	**321 835**
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	1 006	2 464	2 647	4 152	2 647	2 647	2 647	3 722	3 418	3 504
Total Current liabilities - Borrowing	**1 006**	**2 464**	**2 647**	**4 152**	**2 647**	**2 647**	**2 647**	**3 722**	**3 418**	**3 504**
Trade and other payables										
Trade and other creditors	13 730	18 532	15 680	18 835	19 662	19 662	19 662	16 270	13 666	16 587
Unspent conditional transfers	14 784	5 445	6 043	1 840	–	–	–	–	–	–
VAT	5 987	4 234	5 666	–	5 666	5 666	5 666	5 666	5 666	5 666
Total Trade and other payables	**34 500**	**28 211**	**27 388**	**20 676**	**25 328**	**25 328**	**25 328**	**21 935**	**19 332**	**22 252**
Non current liabilities - Borrowing										
Borrowing	3 213	2 430	845	18 693	7 014	7 014	7 014	14 890	13 671	14 015
Finance leases (including PPP asset element)	–	2 576	1 272	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing	**3 213**	**5 006**	**2 117**	**18 693**	**7 014**	**7 014**	**7 014**	**14 890**	**13 671**	**14 015**
Provisions - non-current										
Retirement benefits	2 403	2 284	2 601	2 978	1 483	1 483	1 483	2 601	2 601	2 601
List other major provision items										
Refuse landfill site rehabilitation	1 835	3 678	3 862	1 927	1 927	1 927	1 927	3 862	3 862	3 862
Other	1 648	1 947	–	1 947	452	452	452			
Total Provisions - non-current	**5 886**	**7 910**	**6 462**	**6 852**	**3 862**	**3 862**	**3 862**	**6 462**	**6 462**	**6 462**
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	158 131	161 570	177 903	227 800	227 800	227 800	227 800	292 114	324 262	384 792
GRAP adjustments	505	(1 245)	19 673	–				–	–	–
Restated balance	158 636	160 325	197 576	227 800	227 800	227 800	227 800	292 114	324 262	384 792
Surplus/(Deficit)	2 934	37 886	34 709	34 603	58 457	58 457	58 457	46 121	44 797	44 211
Appropriations to Reserves	–	–	–	–	–	–	–	–	–	–
Transfers from Reserves	–	–	–	–	–	–	–	–	–	–
Depreciation offsets	–	–	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	15 955	5 858	5 858	5 858	(13 973)	15 733	(4 800)
Accumulated Surplus/(Deficit)	**161 570**	**198 211**	**232 285**	**278 358**	**292 114**	**292 114**	**292 114**	**324 262**	**384 792**	**424 204**
Reserves										
Housing Development Fund										
Capital replacement										
Self-insurance										
Other reserves										
Revaluation										
Total Reserves	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL COMMUNITY WEALTH/EQUITY	**161 570**	**198 211**	**232 285**	**278 358**	**292 114**	**292 114**	**292 114**	**324 262**	**384 792**	**424 204**

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population	Census 1996; Census 2001; Census 2011	119 780	119 780	127.398	127 238	127 238	127 238	129 542	134 872	142.965	151.542
Females aged 5 - 14	Census 1996; Census 2001; Census 2011	16 589	16 589	16.030	15 730	15 730	15 730	16 015	16 976	17.994	19.074
Males aged 5 - 14	Census 1996; Census 2001; Census 2011	16 664	16 664	16.197	16 197	16 197	16 197	16 490	17 479	18.528	19.640
Females aged 15 - 34	Census 1996; Census 2001; Census 2011	22 541	22 541	24.644	24 644	24 644	24 644	25 090	26 595	28.191	29.883
Males aged 15 - 34	Census 1996; Census 2001; Census 2011	19 880	19 880	22.692	22 692	22 692	22 692	23.102	24 488	25.957	27.515
Unemployment	Census 1996; Census 2001; Census 2011	15 908	15 908	17.668	17.668	17.668	17.668	17.988	19.067	20.211	21.424
households)											
No income	Census 1996; Census 2001; Census 2011	19 407	19 407	3 953	3 953	3 953	3 953	3 953	4 190	4 442	4 708
R1 - R1 600	Census 1996; Census 2001; Census 2011	5 752	5 752	12 770	12 770	12 770	12 770	12 770	13 536	14 348	15 209
R1 601 - R3 200	Census 1996; Census 2001; Census 2011	396	396	6 281	6 281	6 281	6 281	6 281	6 658	7 057	7 481
R3 201 - R6 400	Census 1996; Census 2001; Census 2011	253	253	2 651	2 651	2 651	2 651	2 651	2 810	2 979	3 157
R6 401 - R12 800	Census 1996; Census 2001; Census 2011	89	89	1 581	1 581	1 581	1 581	1 581	1 676	1 776	1 883
R12 801 - R25 600	Census 1996; Census 2001; Census 2011	30	30	944	944	944	944	944	1 001	1 061	1 124
R25 601 - R51 200	Census 1996; Census 2001; Census 2011	13	13	404	404	404	404	404	428	454	481
R52 201 - R102 400	Census 1996; Census 2001; Census 2011	11	11	90	90	90	90	90	95	101	107
R102 401 - R204 800	Census 1996; Census 2001; Census 2011	11	11	46	46	46	46	46	49	52	55
R204 801 - R409 600	Census 1996; Census 2001; Census 2011	–	–	51	51	51	51	51	54	57	61
R409 601 - R819 200	Census 1996; Census 2001; Census 2011	–	–	–	–	–	–	–	–	–	–
> R819 200	Census 1996; Census 2001; Census 2011	–	–	–	–	–	–	–	–	–	–
Poverty profiles (no. of households)											
< R2 060 per household per month											
Insert description											
Household/demographics (000)											
Number of people in municipal area		119 780					127 238				
Number of poor people in municipal area		-									
Number of households in municipal area		26 954					28 772				
Number of poor households in municipal		-	-	-	–	–	–	-	–	–	–
Definition of poor household (R per		2 060	2 060	2 060	2 060	2 060	2 060	2 185	2 185	2 315	2 455

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (Continued)

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year	2014/15 Medium Term Revenue &		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Housing statistics											
Formal		16 331	15 006	24 013	24 013	24 157	25 606	25 606	27 142	28 771	30 497
Informal		398	438	342	342	344	365	365	387	410	435
Total number of households		16 729	15 444	24 355	24 355	24 501	25 971	25 971	27 529	29 181	30 932
Dwellings provided by municipality		-	-	-	-	-		-			
Dwellings provided by province/s		-	-	-	-	-		-			
Dwellings provided by private sector		4 834	1 030	1 030	7 195	4 863	4 863	4 921	5 216	5 529	5 861
Total new housing dwellings		4 834	1 030	1 030	7 195	4 863	4 863	4 921	5 216	5 529	5 861
Economic											
Inflation/inflation outlook (CPIX)					6.5%	6.5%	6.0%	5.6%	5.6%	5.6%	5.6%
Interest rate - borrowing					11.5%	11.5%	8.5%	8.0%	8.0%	8.0%	8.0%
Interest rate - investment					5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Remuneration increases					6.3%	6.3%	6.8%	6.9%	6.9%	6.9%	6.9%
Consumption growth (electricity)					14.0%	14.0%	8.0%	7.0%	7.0%	7.0%	7.0%
Consumption growth (water)					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection rates											
Property tax/service charges					83.0%	80.0%	77.0%	83.0%	83.0%	83.0%	83.0%
Rental of facilities & equipment					90.0%	90.0%	77.0%	90.0%	90.0%	90.0%	90.0%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					80.0%	80.0%	77.0%	83.0%	83.0%	83.0%	83.0%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (Continued)

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year	2014/15 Medium Term Revenue &		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Total municipal services											
	Household service targets (000)										
	Water:										
	Piped water inside dwelling		1 632	1 632	1 726	1 654	1 654	1 654	1 830	1 880	2 236
	Piped water inside yard (but not in dwelling)		9 533	9 533	10 070	9 705	9 706	9 706	10 674	10 965	13 044
	Using public tap (at least min.service level)		1 780	1 780	2 014	1 812	1 812	1 812	2 135	2 193	2 609
	Other water supply (at least min.service level)		3 356	3 356	3 452	3 418	3 417	3 417	3 660	3 759	4 472
	Minimum Service Level and Above sub-total		16 301	16 301	17 262	16 589	16 589	16 589	18 299	18 797	22 361
	Using public tap (< min.service level)		–	–	–	–	–	–	–	–	–
	Other water supply (< min.service level)		10 652	10 652	11 509	10 846	10 846	10 846	12 198	12 531	14 906
	No water supply		1	1	1	1	1	1	1	1	1
	Below Minimum Service Level sub-total		10 653	10 653	11 510	10 847	10 847	10 847	12 199	12 532	14 907
	Total number of households		**26 954**	**26 954**	**28 772**	**27 436**	**27 436**	**27 436**	**30 498**	**31 329**	**37 268**
	Sanitation/sewerage:										
	Flush toilet (connected to sewerage)		2 452	2 452	2 589	2 496	2 496	2 496	2 745	2 820	3 354
	Flush toilet (with septic tank)		790	790	863	805	805	805	915	940	1 118
	Chemical toilet		1 552	1 552	1 726	1 580	1 580	1 580	1 830	1 880	2 236
	Pit toilet (ventilated)		2 940	2 940	3 165	2 993	2 993	2 993	3 355	3 446	4 099
	Other toilet provisions (> min.service level)		6 721	6 721	6 906	6 842	6 842	6 842	7 319	7 519	8 945
	Minimum Service Level and Above sub-total		14 455	14 455	15 249	14 716	14 716	14 716	16 164	16 605	19 752
	Bucket toilet		174	174	288	173	173	173	305	313	373
	Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
	No toilet provisions		12 325	12 325	13 235	12 547	12 547	12 547	14 029	14 411	17 143
	Below Minimum Service Level sub-total		12 499	12 499	13 523	12 720	12 720	12 720	14 334	14 724	17 516
	Total number of households		**26 954**	**26 954**	**28 772**	**27 436**	**27 436**	**27 436**	**30 498**	**31 329**	**37 268**
	Energy:										
	Electricity (at least min.service level)		14 124	14 124	16 700	14 380	14 380	14 380	17 702	17 765	19 890
	Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
	Minimum Service Level and Above sub-total		14 124	14 124	16 700	14 380	14 380	14 380	17 702	17 765	19 890
	Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
	Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
	Other energy sources		12 830	12 830	12 072	13 052	13 052	13 052	12 796	13 564	17 378
	Below Minimum Service Level sub-total		12 830	12 830	12 072	13 052	13 052	13 052	12 796	13 564	17 378
	Total number of households		**26 954**	**26 954**	**28 772**	**27 432**	**27 432**	**27 432**	**30 498**	**31 329**	**37 268**

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (Continued)

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
	Refuse:										
	Removed at least once a week		4 493	4 493	4 547	4 574	4 574	4 574	4 574	4 602	4 629
	Minimum Service Level and Above sub-total		4 493	4 493	4 547	4 574	4 574	4 574	4 574	4 602	4 629
	Removed less frequently than once a week		697	697	700	710	710	710	915	939	1 118
	Using communal refuse dump		197	197	199	202	202	202	305	313	373
	Using own refuse dump		16 552	16 552	16 850	16 853	16 853	16 853	18 604	19 110	22 733
	Other rubbish disposal		221	221	221	226	226	226	248	263	279
	No rubbish disposal		4 794	4 794	6 255	4 871	4 871	4 871	5 852	6 102	8 136
	Below Minimum Service Level sub-total		22 461	22 461	24 225	22 862	22 862	22 862	25 924	26 727	32 639
	Total number of households		**26 954**	**26 954**	**28 772**	**27 436**	**27 436**	**27 436**	**30 498**	**31 329**	**37 268**
	Household service targets (000)										
	Water:										
	Piped water inside dwelling		–	–	–	–	–	–	–	–	–
	Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
	Using public tap (at least min.service level)		–	–	–	–	–	–	–	–	–
	Other water supply (at least min.service level)		–	–	–	–	–	–	–	–	–
	Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
	Using public tap (< min.service level)		–	–	3 910	–	–	–	4 145	4 393	4 657
	Other water supply (< min.service level)		10 652	10 652	37 518	10 845	10 846	10 846	39 769	42 155	44 685
	No water supply		1	1	1 891	1	1	1	2 004	2 125	2 252
	Below Minimum Service Level sub-total		10 653	10 653	43 319	10 846	10 847	10 847	45 918	48 673	51 594
	Total number of households		**10 653**	**10 653**	**43 319**	**10 846**	**10 847**	**10 847**	**45 918**	**48 673**	**51 594**
	Sanitation/sewerage:										
	Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
	Flush toilet (with septic tank)		790	790	863	805	805	805	915	940	1 118
	Chemical toilet		1 552	1 552	1 726	1 580	1 580	1 580	1 830	1 880	2 236
	Pit toilet (ventilated)		2 940	2 940	3 165	2 993	2 993	2 993	3 355	3 446	4 099
	Other toilet provisions (> min.service level)		6 721	6 721	6 906	6 842	6 842	6 842	7 319	7 519	8 945
	Minimum Service Level and Above sub-total		12 003	12 003	12 660	12 220	12 220	12 220	13 419	13 785	16 398
	Bucket toilet		174	174	288	173	173	173	305	313	373
	Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
	No toilet provisions		12 325	12 325	13 235	12 547	12 547	12 547	14 029	14 411	17 143
	Below Minimum Service Level sub-total		12 499	12 499	13 523	12 720	12 720	34 535	14 334	14 724	17 516
	Total number of households		**24 502**	**24 502**	**26 183**	**24 940**	**24 940**	**46 755**	**27 753**	**28 509**	**33 914**

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (Continued)

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
	Energy:										
	Electricity (at least min.service level)		14 124	14 124	16 700	14 380	14 380	14 380	17 702	17 765	19 890
	Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
	Minimum Service Level and Above sub-total		14 124	14 124	16 700	14 380	14 380	14 380	17 702	17 765	19 890
	Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
	Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
	Other energy sources		12 830	12 830	12 072	13 056	13 056	13 056	12 796	13 564	17 378
	Below Minimum Service Level sub-total		12 830	12 830	12 072	13 056	13 056	13 056	12 796	13 564	17 378
	Total number of households		**26 954**	**26 954**	**28 772**	**27 436**	**27 436**	**27 436**	**30 498**	**31 329**	**37 268**
	Refuse:										
	Removed at least once a week		–	–	–	–	–	–	–	–	–
	Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
	Removed less frequently than once a week		697	697	700	710	710	710	915	939	1 118
	Using communal refuse dump		197	197	199	202	202	202	305	313	373
	Using own refuse dump		16 552	16 552	16 850	16 853	16 853	16 853	18 604	19 110	22 733
	Other rubbish disposal		221	221	221	226	226	226	248	263	279
	No rubbish disposal		4 794	4 794	6 255	4 871	4 871	4 871	5 852	6 102	8 136
	Below Minimum Service Level sub-total		22 461	22 461	24 225	22 862	22 862	22 862	25 924	26 727	32 639
	Total number of households		**22 461**	**22 461**	**24 225**	**22 862**	**22 862**	**22 862**	**25 924**	**26 727**	**32 639**
Municipal entity services											
Name of municipal entity	**Household service targets (000)**										
	Water:										
	Piped water inside dwelling										
	Piped water inside yard (but not in dwelling)										
	Using public tap (at least min.service level)										
	Other water supply (at least min.service level)										
	Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
	Using public tap (< min.service level)										
	Other water supply (< min.service level)										
	No water supply										
	Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
	Total number of households		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (Continued)

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Name of municipal entity	***Sanitation/sewerage:***										
	Flush toilet (connected to sewerage)										
	Flush toilet (with septic tank)										
	Chemical toilet										
	Pit toilet (ventilated)										
	Other toilet provisions (> min.service level)										
	Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
	Bucket toilet										
	Other toilet provisions (< min.service level)										
	No toilet provisions										
	Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
	Total number of households		–	–	–	–	–	–	–	–	–
Name of municipal entity	***Energy:***										
	Electricity (at least min.service level)										
	Electricity - prepaid (min.service level)										
	Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
	Electricity (< min.service level)										
	Electricity - prepaid (< min. service level)										
	Other energy sources										
	Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
	Total number of households		–	–	–	–	–	–	–	–	–
Name of municipal entity	***Refuse:***										
	Removed at least once a week										
	Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
	Removed less frequently than once a week										
	Using communal refuse dump										
	Using own refuse dump										
	Other rubbish disposal										
	No rubbish disposal										
	Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
	Total number of households		–	–	–	–	–	–	–	–	–

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (Continued)

Services provided by 'external mechanisms'			2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Names of service providers	**Household service targets (000)**										
	Water:										
Zululand District Municipality	Piped water inside dwelling		1 632	1 632	1 726	1 654	1 654	1 654	1 830	1 880	2 236
	Piped water inside yard (but not in dwelling)		9 533	9 533	10 070	9 705	9 706	9 706	10 674	10 965	13 044
	Using public tap (at least min.service level)		1 780	1 780	2 014	1 812	1 812	1 812	2 135	2 193	2 609
	Other water supply (at least min.service level)		3 356	3 356	3 452	3 418	3 417	3 417	3 660	3 759	4 472
	Minimum Service Level and Above sub-total		16 301	16 301	17 262	16 589	16 589	16 589	18 299	18 797	22 361
	Using public tap (< min.service level)		–	–	–	–	–	–	–	–	–
	Other water supply (< min.service level)		–	–	–	–	–	–	–	–	–
	No water supply		–	–	–	–	–	–	–	–	–
	Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
	Total number of households		**16 301**	**16 301**	**17 262**	**16 589**	**16 589**	**16 589**	**18 299**	**18 797**	**22 361**
Names of service providers	***Sanitation/sewerage:***										
Zululand District Municipality	Flush toilet (connected to sewerage)		2 452	2 452	9 161	2 496	2 496	2 496	9 711	10 293	10 911
	Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
	Chemical toilet		–	–	–	–	–	–	–	–	–
	Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
	Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
	Minimum Service Level and Above sub-total		2 452	2 452	9 161	2 496	2 496	2 496	9 711	10 293	10 911
	Bucket toilet		–	–	–	–	–	–	–	–	–
	Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
	No toilet provisions		–	–	–	–	–	–	–	–	–
	Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
	Total number of households		**2 452**	**2 452**	**9 161**	**2 496**	**2 496**	**2 496**	**9 711**	**10 293**	**10 911**
Names of service providers	***Energy:***										
	Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
	Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
	Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
	Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
	Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
	Other energy sources		–	–	–	–	–	–	–	–	–
	Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
	Total number of households		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (Continued)

Services provided by 'external mechanisms'			2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Names of service providers	***Refuse:***										
Various Contractors	Removed at least once a week		4 493	4 493	19 871	4 574	4 574	4 574	21 065	22 328	23 667
	Minimum Service Level and Above sub-total		4 493	4 493	19 871	4 574	4 574	4 574	21 065	22 328	23 667
	Removed less frequently than once a week		697	697	2 862	710	710	710	3 033	3 215	3 409
	Using communal refuse dump		–	–	–	–	–	–	–	–	–
	Using own refuse dump		–	–	–	–	–	–	–	–	–
	Other rubbish disposal		–	–	–	–	–	–	–	–	–
	No rubbish disposal		–	–	–	–	–	–	–	–	–
	Below Minimum Service Level sub-total		697	697	2 862	710	710	710	3 033	3 215	3 409
	Total number of households		**5 190**	**5 190**	**22 733**	**5 284**	**5 284**	**5 284**	**24 098**	**25 543**	**27 076**

F1.2 AUDIT ACTION PLAN (Updated to 31 May 2014)

ACTION PLAN ON AUDITOR GENERAL FINDINGS: YEAR ENDED 30 JUNE 2013

AR Para No.	REPORT FINDING	PROPOSED ACTION TO BE IMPLEMENTED	RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRESS
6.	**Property, plant and equipment** I was unable to obtain sufficient, appropriate audit evidence that management has properly identified and accounted for all categories of property, plant and equipment in the asset register and financial statements of the municipality. I was unable to confirm the property, plant and equipment by alternate means. Consequently, I was unable to determine whether any adjustments to property plant and equipment stated at R129,15 million, disclosed in note 10 to the financial statements was necessary.	The municipality will perform a complete physical verification of fixed assets in January 2014 and update the fixed asset register accordingly. A second physical verification will be performed in June 2014. A Fixed Asset Controller has been interviewed and the appointment will be made in January 2014..	Chief Financial Officer Fixed Asset Controller	31 January 2014 (1st verification) 30 June 2014 (2nd verification and year end GRAP procedures)	The service provider has completed the verification of movables. The verification of immovables to commence on 3/06/2014.

AR Para No.	REPORT FINDING	PROPOSED ACTION TO BE IMPLEMENTED	RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRESS
7.	**Irregular expenditure** I was unable to obtain sufficient appropriate audit evidence to support the restatement of the prior year balance and that management has properly identified and accounted for all irregular expenditure for the current financial year due to undisclosed irregular expenditure being identified during the audit. I was unable to confirm the irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustment to irregular expenditure stated at R10,65 million disclosed in note 40 in the financial statements was necessary.	The SCM Manager together with the relevant official shall peruse each and every invoice to determine whether the expenditure is irregular or not. The same procedure was followed in 2012/13 as directed by the AG and none were found.	Chief Financial Officer Budget Controller	Quarterly targets 31 September 2013 31 December 2013 31 March 2014 30 June 2014	The irregular expenditure register has been updated to 31 March 2014 and presented to council. 1st and 2nd quarter reports presented to Exco and Council and forwarded to MPAC for further investigation. 3rd quarter reports presented to EXCO. Next report to be presented in June 2014 for both EXCO and Council.
8.	**Payables from exchange transactions** The municipality's manual and electronic leave records did not reconcile. This has resulted from variances of the leave balances used to calculate the leave pay provision as disclosed in note 7 to the financial statements in the amount of R2,25 million. I was unable to obtain sufficient	The municipality does not keep a manual leave register. Our leave cycle is calculated in terms of the financial year through payday system in the finance department, while it is calculated in terms of the calendar year in our human resource unit hence the number of leave days may not be	Corporate services manager	31 January 2014	The leave cycle is now coterminous with the financial year. COMPLETED.

	appropriate audit evidence for the amount recorded in note 7 to the financial statements and it was impracticable to calculate the misstatement.	same. But the actual leave days for each employee is correct. The problem Payday System has been requested to align the above situation.			
AR Para No.	**REPORT FINDING**	**PROPOSED ACTION TO BE IMPLEMENTED**	**RESPONSIBLE PERSON**	**TARGET DATE**	**CURRENT STATUS/PROGRESS**
11 – 12	**Significant uncertainties** The municipality operates an unlicensed waste disposal site. There is a probable contingent liability, the outcome of which is unknown. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements. Employees of the municipality have not been paid according to the wage scales and rates in the South African Local Government Association (SALGA) Categorisation and job evaluation wage curves collective agreement. The municipality has not finalised job evaluations pending the outcome of the lawsuit by the union disputing the	Environmental Affairs has appointed through MISA a consultant to undertake a study and licensing of the Pongola Landfill Site. The site inspection was conducted on the 15th of January 2014 by the Municipal officials together with appointed Consultants. The outcome of the lawsuit appeal between SALGA and Unions is awaited. The required budget provision will be made in the 2014/15	Technical Services Manager Chief Financial Officer	30 June 2014 July 2014	Consultant busy doing assessment on site. Department of Environmental affairs appointed MISA to undertake licensing of landfill site. Currently they are doing geo-technical investigation. The outcome of appeal by SALGA is awaited. Appropriate disclosure to be done in the financial statements.

	agreement. The amount of the obligation cannot be determined with sufficient reliability and no provision for any liability that may result has been made in the financial statements.				

AR Para No.	REPORT FINDING	PROPOSED ACTION TO BE IMPLEMENTED	RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRESS
13.	**Restatement of corresponding figures** The corresponding figures for 30 June 2012 have been restated as a result of an error discovered during 30 June 2013 in the financial statements of the uPhongolo Municipality at, and for the year ended, 30 June 2012.	The CFO is reviewing the financial records monthly to ensure that all transactions are completely and accurately processed	Chief Financial Officer	30 June 2014	Errors arising from incorrect mapping of ledger balances have been identified and will be disclosed as prior year adjustments.
14 – 15.	**Material losses/impairments** As disclosed in note 41 to the financial statements, material	A Consulting Electrical Engineer has been appointed to conduct an investigation on the losses. After	Technical Services Manager	31 March 2014	Engineers have released a report identifying causes of losses. Currently the faulty meters have been identified

	electricity distribution losses of 5,61 million (18,5%) kilowatts were incurred as a result of replacing business and departmental meters and line and transformer losses. As disclosed in note 16 to the financial statements, there is a significant allowance of R35,87 million for the impairment of debtors at 30 June 2013. The significant impairment of debtors is due to poor collection practices.	receiving findings and recommendations the corrective measures will be implemented. The SCM process for the appointment of the debt collector is underway, The entire book debt has been analysed to establish existence of bad debts which will also be considered for write offs and pursue those that are recoverable.	Chief Financial Officer	30 April 2014	and fixed resulting in the loss being reduced to +/- 10.4% The Debt Collector has been appointed and has resumed the assignment.

AR Para No.	REPORT FINDING	PROPOSED ACTION TO BE IMPLEMENTED	RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRESS
16.	**Material under-spending of conditional grant** Material under-spending, by the municipality, of conditional grants to the amount of R6, 04 million, is disclosed in note 9 to the annual financial statements. As a consequence, the department has not achieved its objectives of service delivery as outlined in the municipality's Integrated Development Plan (IDP).	A Technical services manager and a PMU manager with civil engineering qualifications have been appointed. They closely monitor conditional grants expenditure and projects progress on the ground. A performance agreement has been signed between TSM and MM.	Technical Services Manager	31st of June 2014	The amount of R19,2 million received to-date will be fully spent by 31/05/2014. The amount of R8 million was withheld by National Treasury due to underspending,
17.	**Going concern** Note 44 to the financial statements indicates	The municipality will engage the	Chief Financial	31 January	A debt collector has been appointed to

	that at 30 June 2013 the municipality's current liabilities exceeded its total cash resources by R4, 13 million. The condition highlights the fact that the municipality was not in a position to meet its current obligations as they fell due. This, along with other matters as set forth in the note 44, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.	services of a debt collector to collect all collectable debts so as to increase the cash resources.	Officer	2014	assist with debt recovery. The current ratio at 30 June 2013 was 1.96:1. The municipality has never experienced financial problems and has been able to meet if obligations as they fall due.

AR Para No.	REPORT FINDING		RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRESS
18.	**Fruitless and wasteful expenditure** As disclosed in note 39 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R184 923 as a result of payments made without corresponding benefits.	The fruitless and wasteful expenditure resulted from late payment of suppliers. The creditors section has been instructed to pay suppliers bi-weekly to avoid incurring fruitless and wasteful expenditure and the Municipal Manager is monitoring the timeous payment to service providers	Chief Financial Officer	Immediately	The wasteful expenditure relates to interest charged mainly by Eskom and Telkom on late payment of their accounts. The municipality has communicated with these services providers to submit their invoices in time for payment.
24.	**Measures taken to improve performance not disclosed** Section 46 of the Municipal	Steps taken to improve performance; 1. Appointed a new qualified Risk and	Risk and Performance Manager and MM	Immediately	Quarter 1 and 2 Performance assessments done in accordance with the legislative

	Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Measures to improve performance for a total of 100% of the planned targets not achieved were not reflected in the annual performance report.	performance manager to develop systems and controls and ensure compliance with MFMA 2. As of 2013/14 performance is closely monitored by the PMS manager			framework and the report on the mid-year performance submitted to EXCO and Council

AR Para No.	REPORT FINDING		RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRESS
25.	**Reported targets not consistent with planned targets** The MSA, section 41(c) requires that the actual achievements against all planned targets be reported annually. The annual performance report submitted for audit purposes did not include the actual performance of 81% of planned performance targets as detailed in the IDP and service delivery implementation plan (SDBIP) for the year under review. This	As stated above this has been addressed through the appointment of a new Risk and Performance manager. Further the IDP has been aligned with the SDBIP to ensure that all objectives have KPIs that are measurable, realistic and time bound	Risk and Performance manager and MM	Immediately	SDBIP document revised and targets aligned to the IDP and Budget. Quarter 1 and 2 performance report sent to Internal Audit

	was due to lack of review and monitoring of the performance targets set to ensure that there was a link between the planned target and reported outcomes.				
AR Para No.	**REPORT FINDING**		**RESPONSIBLE PERSON**	**TARGET DATE**	**CURRENT STATUS/PROGRESS**
27.	**Performance targets are not measurable** The FMPPI requires that performance targets be measurable. The required performance could not be measured for a total of 38% of the targets. Management was aware of the requirements of the FMPPI but chose not to apply the principles contained therein.	The current 2013/14 targets are measurable through a combination of numbers and/or percentage	MM and Risk and Performance Manager	July 2013	SDBIP document revised and targets aligned to the IDP and Budget.
28.	**Performance targets not time bound** The FMPPI requires that the time period or deadline for delivery be specified. A total of 25% of the targets were not time bound in specifying a time period or deadline for delivery. Management was aware of the requirements of the FMPPI but chose not to apply the principles contained therein.	(Duplication) covered on 26,27,28 and 29			SDBIP document revised and targets aligned to the IDP and Budget.

AR Para No.	REPORT FINDING		RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRESS
29.	**Performance indicators not well defined** The FMPPI requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 88% were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. Management was aware of the requirements of the FMPPI but chose not to apply the principles contained therein.	The new Risk and Performance Manager has been tasked to ensure compliance in these matters.	Risk and Performance Manager and MM	immediately	100% done, performed the following; 1. Revised indicators, KPIs in the SDBIP to be compliant
30.	**Indicators not verifiable** The FMPPI requires that it must be possible to validate the processes and systems that produce the indicator. A total of 100% were not verifiable in that valid processes and systems that produce the information on actual performance did not exist. This was due to the lack of key controls in the relevant systems of collection/collation/verification/ storage of actual performance information.	This matter is being addressed by the Risk and Performance manager by compiling a portfolio of evidence, and revising the indicators to ensure they are verifiable	Risk and Performance Manager and MM	immediately	Quarter 1 and 2 SDBIP and related POE submitted to Internal Audit.

AR Para No.	REPORT FINDING	PROPOSED ACTION TO BE IMPLEMENTED	RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRESS
35.	**Annual financial statements** The financial statements submitted for auditing were not prepared in all material respects in accordance with the	In future the CFO will review the financial statements for compliance with section 122 of	Chief Financial Officer	31 July 2014	Financial Statements will be done in-house. Officials have been trained on how to populate the AFS

	requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and/ or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.	the MFMA. Further, if necessary a third party will be requested to conduct a further review of the financial statements			template. Template already populated with prior year information.
36.	**Human resources management and compensation** The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury as required by the Regulations on Minimum Competency Levels regulation 14(2)(a)	A checklist has been developed by the municipality to ensure compliance with all relevant legislation. This will be closely monitored by the Risk and Performance manager.	Human resources manager – Risk and Performance Manager	Immediatel y	A report on the Competency levels was prepared and submitted to Treasury in January 2014. The 2nd report will be forwarded on 30/06/2014.

AR Para No.	REPORT FINDING	PROPOSED ACTION TO BE IMPLEMENTED	RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRES
37. - 39.	**Procurement and contract management** 1. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price	1. The Expenditure Accountant has been instructed not to pay invoices unless all supporting documentatio n in terms of	SCM Manager- Expenditure Accountant	Immediately Immediately	Implemented Implemented.

	quotations, as required by Supply Chain Management (SCM) regulation 17(a) and (c). 2. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). 3. Awards were made to providers who are in the service of other state institutions or whose directors/ principal shareholders are in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44.	the SCM policy is attached in order to avoid unauthorised and irregular expenditure 2. The MM has reshuffled the bid Specification ,Evaluation and adjudication members to ensure that competitive bids are done in compliance with regulation 19a 3. The Municipality is in the process of drawing up a list of all suppliers in a database format which will be submitted to the treasury for verification on a quarterly basis. Further the municipality will try and ensure that the suppliers used will be from the verified database unless inapplicable. 4. The municipality is unable to address this matter due to the unavailability	Specification chairperson Evaluation chairperson Adjudication chairperson And Supply chain Manager Chief Financial officer	immediately	All bid committees were trained by the School of Government on SCM Matter referred to Treasury for assistance as the Municipality does not have capacity.

		of the relevant tool, currently the municipality is only relying on information supplied by the suppliers on MBD 4.4.			
AR Para No.	**REPORT FINDING**	**PROPOSED ACTION TO BE IMPLEMENTED**	**RESPONSIBLE PERSON**	**TARGET DATE**	**CURRENT STATUS/PROGRESS**
40. – 41.	**Waste management** 1. The municipality operated their waste disposal site without a waste management licence or permit, in contravention of section 20(b) of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) (NEMWA) and section 20(1) of the Environmental Conservation Act, 1989 (Act No. 73 of 1989) (ECA). 2. The municipality's operational activities at their waste disposal site contravened or failed to comply with the requirements of a waste management licence or permit and the norms and standards in terms of section 67(1)(f) and (h) of the NEMWA and section 29(4) of the ECA.	1. COGTA has appointed MISA as consultants to undertake the licensing of the Pongola Landfill Site. The site inspection was conducted on the 15th of January 2014 by the Municipal officials together with appointed Consultants. Currently the Consultants are busy with an application for licensing. 2. The Municipality has again appointed Element Consulting Engineers to do Business plan to secure funding from relevant departments for the rehabilitation of the landfill site.	Technical services manager	immediately	Consultant busy doing assessment on site. Business plans to upgrade it to be prepared. Department of Environmental affairs appointed MISA to undertake licensing of landfill site. Currently they are doing geo-technical investigation.

42.-44.	**Strategic planning and performance management** 1. The IDP adopted by the municipality does not reflect and identify the municipal council's vision for the long term development of the municipality targets, as required by sections 26 and 41 of the MSA. 2. The annual performance report for the year under review does not include measures taken to improve performance, as required by section 46 (1)(c) of the MSA. 3. The municipality did not: • monitor performance with regard to each of those development priorities and objectives and against the key performance indicators and targets set • measure and review performance at least once per year with regard to each of those development priorities and objectives and against the key performance indicators and targets set • take steps to	A management team has been set up to ensure that the vision of the municipality complies with sections 26 and 41 of the MSA The revised Annual performance report includes measures taken to improve performance We did monitor performance but unfortunately second and third quarter were done simultaneously due to shortage of key personnel For 2013/14 performance is being closely monitored by both Risk and Performance Manager This has been addressed by replacing PMS Manager with a more qualified manager. Reviewing of the IDP and SDBIP to be aligned with the key development	MM Risk and Performance Manager MM Risk and Performance Manager	30 March 2014 30 December 2014 30 June 2014 immediately	In a process of reviewing the IDP for 2014/15 for compliance. Implemented Performance is now monitored quarterly by getting department reports. Plan to improve performance are discussed at Manco and during mid-year assessment of HODs.

	improve performance with regard to those development priorities and objectives where performance targets are not met, as required by section 41 of the MSA.	priorities and section 41 of the MSA			
45.	**Assets management** An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.	Application was made to National Treasury to acquire a fully integrated financial system. National Treasury advised that the decision be put in abeyance in view of the implementation of SCOA. Final decision expected in February 2014. In the meantime BAUD will be used to account for fixed assets	Chief Financial Officer	28 February 2014	Grap compliant asset register being compiled; Implementing BAUD to record all fixed assets
AR Para No.	**REPORT FINDING**	**PROPOSED ACTION TO BE IMPLEMENTED**	**RESPONSIBLE PERSON**	**TARGET DATE**	**CURRENT STATUS/PROGRESS**
46.	**Expenditure management** Reasonable steps were not taken to prevent irregular and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.	1. The Expenditure Accountant has been instructed not to pay invoices unless all supporting documentation in terms of the SCM policy is attached in order to avoid unauthorised and irregular expenditure. 2.Also she has been instructed to ensure payments are done within 30 days of receipt of invoice in order to	SCM Manager-Expenditure Accountant	immediately	Implemented

		avoid fruitless and wasteful expenditure			
48.	**Leadership** The accounting officer did not exercise adequate oversight of financial and performance reporting and compliance as well as internal control. In this regard, the accounting officer did not periodically assess whether staff members had the essential skills and knowledge to support the achievement of credible reporting and desired control objectives.	2012/13 this exercise was done but 2013/14 the accounting officer is ensuring that assessments are compliant MANCO meeting to take place monthly and performance and budget matters to be discussed. Mid-year and Annual performance assessment to be done on all HODs based on the IDP objectives. Skilling of employees to be undertaken in terms of the Skills Development Plan	Municipal Manager	immediately	MANCO meetings conducted monthly. Training in progress Quarterly performance of department monitored.

AR Para No.	REPORT FINDING	PROPOSED ACTION TO BE IMPLEMENTED	RESPONSIBLE PERSON	TARGET DATE	CURRENT STATUS/PROGRESS
49. - 51.	**Financial and performance information** The accounting officer has not developed processes to ensure that all requirements of laws and regulations are complied with timeously nor has he developed, implemented and monitored the necessary controls to ensure that all the processes relating to	A checklist has been developed by the municipality to ensure compliance with all relevant legislation. This will be closely monitored by the Risk and Performance manager.	Risk and Performance manager Chief Financial	Immediately 31 July 2014	Implemented To be determined at year end

	financial and performance management are adhered to at all times. The chief financial officer did not adequately review the financial statements before submission for audit. Adequate processes were not in place to communicate timely and relevant information to oversight and regulatory parties. This is evidenced by material corrections in the financial statements, as well as compliance findings.	In future the CFO will review the financial statements for compliance with section 122 of the MFMA. Further, if necessary a third party will be requested to conduct a further review of the financial statements The AFS will also be submitted to the Audit Committee for review prior to submission to AG.	Officer		
52.	**Governance** The audit committee did not adequately assess the effectiveness of controls and responses to risks, as evidenced by material corrections in the financial statements, and compliance findings.	Risk manager has been appointed to put in place controls that will ensure compliance with MFMA. The reports will now be submitted through a check list system.	Risk and performance manager	31 April 2014	Risk register tabled at audit committee meeting; Risk Assessment redone.

F 1.3. UPHONGOLO MUNICIPALITY INTEGRATED INFRASTRUCTURE PLAN

REVISED 2013/14

Details	Ward	Funding	2013/14	Project Status	2014/15	2015/16	2015/16
Kwagaqa	5	Dept. of Energy	6 622 000				
Zonyama	14	Dept. of Energy	4 006 800				
Mavithi	11	Dept. of Energy	3 371 200				
Magude, Nyaliza, Mpalaza & KwaMpondo	1	Dept. of Energy			12 000 000		
Dwasrand, KwaFuduka & KwaBanakile	1	Dept. of Energy				15 000 000	
Unspecified		Dept. of Energy					15 000 000
			14 000 000		**12 000 000**	**15 000 000**	**15 000 000**
		Budgeted funding	14 000 000		12 000 000	15 000 000	15 000 000

Details	Ward	Funding	2013/14	Project Status	2014/15	2015/16	2015/16
Mavuka - Regional Scheme, Reticulation	6	ZDM					
Emncithini - Regional Scheme, Reticulation	6	ZDM					
Luphiso - Regional Scheme, Reticulation	3	ZDM					
Khiphunyawo -	3	ZDM					

Regional Scheme, Reticulation							
Ntabsnixzulu - Regional Scheme, Reticulation	3	ZDM					
Sibhangsakomo - Regional Scheme, Reticulation	3	ZDM					
Enkwambase - Regional Scheme, Reticulation	3	ZDM					
Take-off to Res A9 - Regional Scheme, Bulk Supply	ZDM						
Booster Pump - Regional Scheme, Bulk Supply	ZDM						
Pongola WTW Upgrade - Regional Scheme, Bulk Supply	2	ZDM					
Gumbi- Regional Scheme, Reticulation	14	ZDM					
Mandlakayise - Rudimentary	1	ZDM					
Mabophe – Rural Sanitation	4	ZDM					
Thengizwe 1 – Rural Sanitation	4	ZDM					
Moyeni – Rural Sanitation	4	ZDM					

Moya Wamampondo – Rural Sanitation	4	ZDM					
Mabophe – Rural Sanitation	4	ZDM					
Engwabi – Rural Sanitation	8	ZDM					
Ezinketheni – Rural Sanitation	8	ZDM					
Okhahlamba – Rural Sanitation	8	ZDM					
Endabeni – Rural Sanitation	8	ZDM					
Hhohho – Rural Sanitation	8	ZDM					
Elangeni – Rural Sanitation	8	ZDM					
Mpemvane – Rural Sanitation	12	ZDM					
Liba 2 – Rural Sanitation	12	ZDM					
Waterbus – Rural Sanitation	12	ZDM					
D1867 Regravel	3&5	DoT					
D1937 Regravel	11	DoT					
D1929 Regravel	9	DoT					
D565 Regravel	1	DoT					
D1863 Regravel	13	DoT					

D1870 Regravel		DoT					
D1864 Regravel	8	DoT					
Lubhalo Regravel	8	DoT					
L125 Regravel	1	DoT					
D1930 Regravel	9	DoT					
P84 Regravel	14	DoT					
Ndishini causeway	4	DoT					
Ukhahlamba	8	DoT					
Nkonzeni Road (access to Nkonzeni school)	1	DoT					
Rehabilitation of N2	uPM	SANRAL					
Local roads and causeways	6;11	DoT					
Regravels	3;6;5; 8;9;11 ;12;1	DoT					
	3;14						
Local roads and causeways	3;14	DoT					
Regravels		DoT					
Pongola Dam Nature Reserve – Infrastructure and	14	DEAT					
Community Conservation Area							
"Branding" included in the Marketing Plan for	14	Lebombo SDI					

Lebombo and St Lucia the Pongolapoort Dam		Committee					
Pongolapoort Dam: Water Based Public-Private Partnerships		ZDM/Gijima					
Golela Border Post – General Upgrading	14	DoW					
Pongolapoort Project Facilitation	14	COGTA					
		IMUF					
Lebombo Corridor Development projects: Nodes – Nkonkoni and Golela: Planning Implementation	14	COGTA					
Simdlangentsha Community Game Reserve (SICCP)	3;4;5;6;7 and 12	DEAT					
Itshelejuba Hospital Admin Block and Tuck Shop		Dept of Health					
One stop health and information centre at Truck Stop	11	Dept of Health					
Sibusisiwe Crèche	9	DSocD					
Sinenhlanhla Day Care	4	DSocD					

Centre							
Sakhithemba Crèche	13	DSocD					
Vukuzame Crèche		DSocD					
Siyaphambili Day to Crèche	4	DSocD					
Gumbi Settlement Planning	14	COGTA					
Alien Weed Control and Fencing	uPM						
Sibiya Traditional Administrative Centre Renovation	3						
Simelane Traditional Administrative Centre Renovation	8						

G G2 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Attached as Annexure

H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

The actual implementation and operation of the PMS occurs simultaneously with the implementation of the IDP. The implementation of the IDP over a single financial year is given effect through the Service Delivery Budget Implementation Plan (SDBIP), scorecards, performance contracts of the Municipal Manager and other S57 Managers. The Service Delivery Budget Implementation Plan (SDBIP) is the implementation tool used to align the budget to the IDP. The focus of the SDBIP is both financial and non-financial measurable performance objectives in the form of service delivery targets and other performance indicators.

The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the Municipality, thus providing credible management information and a detailed plan for how the Municipality will provide such services and the inputs and financial resources to be used.

The key performance areas and indicators of performance contained in the organizational scorecard are cascaded into departmental scorecards, and further into individual scorecards which ensure the appropriate alignment between organizational and individual performance.

Attached as Annexure

I. CONCLUSION

The IDP has been developed in full consultation with the community and other sector departments including the district. We are committed in ensuring that this document does not only become a strategy but a tool which we will use to guide us towards achieving service delivery excellence for our communities. We will continue to strive towards achieving the Municipalities vision and all the objectives and goals set in this IDP, it is our firm believes that this IDP cannot be achieved nor owned by the Municipality alone, we need to work together as the community of uPhongolo Municipality to drive the delivery of this IDP.

We thank you for your participation and input made during the development of this IDP and should you have any queries please do not hesitate to call us on 034 413 1223 or email the Municipal Manager on mm@uphongolo.gov.za